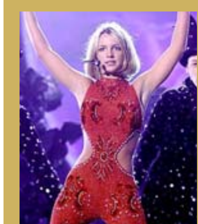
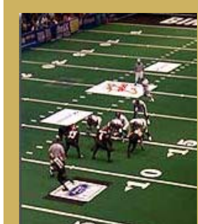
Feasibility Study Findings:

Proposed Arena in Tucson






Presented to:

CITY OF TUCSON

FOUNDED 1775

City of Tucson

September 13, 2005

CONVENTIONS SPORTS & LEISURE

CSL

September 13, 2005

Ms. Sarah Vavra
Department of Procurement
City of Tucson
255 West Alameda
Tucson, Arizona 85701

Dear Ms. Vavra:

Conventions, Sports & Leisure International ("CSL") is pleased to present the Volume 1.0 Report regarding an analysis of the market and building program for a new multi-purpose arena in downtown Tucson. Volume 2.0 Report will focus on the financial characteristics of the proposed arena. The attached report summarizes our research and analyses and is intended to assist members of the City of Tucson and other project representatives with their decisions regarding a new arena.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, knowledge of the public assembly facility industry and other factors, including certain information you have provided. All information provided to us by others was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material.

Conventions, Sports & Leisure International
2121 W. Spring Creek Parkway, Suite 108 • Plano, TX 75023 • Telephone 972.491.6900 • Facsimile 972.491.6903

We sincerely appreciate the opportunity to assist you with this project, and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

CSL International

CSL International

Table of Contents

EXECUTIVE SUMMARY i

I. INTRODUCTION 1

II. OVERVIEW OF THE TUCSON MARKET 4

III. TUCSON ARENA HISTORICAL OPERATIONS 31

IV. COMPARABLE FACILITIES 43

V. COMPETITIVE AND LOCAL FACILITIES 63

VI. ESTIMATED EVENT DEMAND 71

VII. BUILDING PROGRAM ANALYSIS 93

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

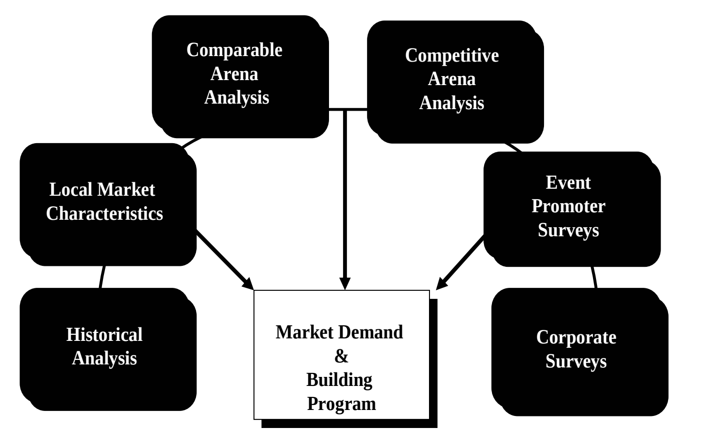
Executive Summary

Tucson voters approved approximately $124 million in tax increment financing to fund various development projects in downtown Tucson. Additionally, approximately $124 million of public investment and $1 billion of private investment is expected to occur in various projects downtown. The entire downtown revitalization project, known as the Rio Nuevo Project, will focus on development to bring out the history, culture, and tradition of Tucson. As a part of the development plans, the City is considering the construction of a new arena to provide a larger facility with modern amenities that can attract more events and patrons, creating a critical mass to assist in supporting other Rio Nuevo initiatives. The Rio Nuevo Project will also include development of museums, housing, theater restorations, open space, additional retail and restaurant opportunities, new convention hotel rooms, improvements to the existing Tucson Convention Center meeting and exhibition space, new entertainment facilities, and various infrastructure improvements.

The City of Tucson retained CSL International ("CSL") to provide a market and financial analysis of a proposed new arena in downtown Tucson. The new arena would be constructed near by to the current Tucson Convention Center ("TCC") and would replace the existing arena. The current arena was built in 1971 and has a seating capacity of 9,275 seats. It is one of two arenas in the Tucson market, along with University of Arizona's McKale Center, but it is the only arena that is marketed for commercial (non-university) use. The TCC Arena serves as Tucson's public arena holding various events such as concerts, hockey games, family shows, circus acts, conventions, consumer and trade shows, and graduations.

In order to assess the feasibility of the proposed arena, CSL reviewed the historical operations of the TCC Arena, reviewed local market demographic and socioeconomic characteristics, analyzed comparable and competitive facilities, interviewed arena event promoters, and surveyed local corporations.

Study Methodology



Research results were used to estimate potential demand for the proposed arena and define general building program elements necessary to accommodate demand.

The following are key conclusions from a comprehensive, market-based study of the viability of a new multi-purpose arena in downtown Tucson.

MARKET ANALYSIS

- The Tucson metropolitan area has approximately 891,220 people and is the 68th largest among the 323 metropolitan areas in the United States. A total of 942,634 live within 50 miles of the proposed arena, an area comprising a majority of the arena's primary and secondary market area and the area from which a majority of attendees are expected to be drawn.

- A comparison of the primary market sizes of 31 arenas that have been built since 1995 with seating capacities of at least 8,000 seats indicates that Tucson's population ranks eighth largest out of 32 markets.

- Income characteristics of the market may indicate a lower propensity to allocate discretionary income for entertainment as compared to other markets with new arenas. Despite these lower than average incomes, entertainment and sporting event spending in the market are relatively strong. The Tucson market ranks among the top markets with new arenas in terms of sports and entertainment spending

- The Tucson market has a relatively strong corporate base as compared to markets with new arenas, which could positively impact the ability to sell premium seating and sponsorships at the proposed arena, support multiple tenants and demand for corporate meetings, trade shows, conferences and other events.

- The local market is positively impacted by various groups that increase the amount of money spent in the local market and induce demand for sporting, entertainment and leisure activities. These groups consist of Mexican visitors that travel from across the border to visit the Tucson area, university students that attend the University of Arizona, and seasonal residents that reside in the Tucson area during the winter months.

- Currently, there is not another commercially-operated arena in the market. However, the proposed arena will face competition from existing sports and entertainment facilities in the local market primarily for concerts from local casino amphitheatres and Phoenix venues.

- According to minor league sports representatives contacted as a part of this study, the Tucson market size and location would likely be most attractive for a minor league hockey franchise in the American Hockey League ("AHL") or in the ECHL, which are affiliated with the National Hockey League as an AAA league and an AA league, respectively. A Tucson minor league hockey franchise would provide an opportunity for affiliation with the NHL Phoenix Coyotes, who currently play at Glendale Arena in the Phoenix metropolitan area. However, it should be noted that four minor league hockey teams in the market have not lasted more than two years, mainly due to low season ticket sales and ownership quality.

- In addition to minor league tenant possibilities, it is expected that the UA Ice Cats hockey team will play their home games at a new arena. The University of Arizona club hockey team plays approximately 18 home games each year.

- According to arena event promoters (concerts, family shows, sporting events, etc.), the Tucson market area's close proximity to Phoenix is attractive for the majority of touring acts that usually perform in Phoenix, as it provides a convenient and natural routing pattern for events. However, this close proximity may hinder performances coming to Tucson for those acts that prefer to perform at only one venue in the central Arizona region, comprising both the Phoenix and Tucson markets.

- Promoters indicated that the presence of casino amphitheatres in the market could hinder bookings at the new arena because the casinos have the flexibility to underwrite events with casino income in order to attract events and patrons to their casinos. However, the casinos' event facilities offer less than 5,000 seats, which inhibits their ability to host certain concert acts which draw larger crowds.

- The physical, operational, and financial characteristics of 13 comparable facilities were analyzed in order to provide a benchmark from which to assess the potential operation for a new multi-purpose arena in Tucson. The following are key findings from comparable facilities:

  - Comparable facilities have an average capacity of approximately 13,515 seats, an average opening year of 2000 and an approximate average market population of 643,100 people.

  - Comparable arenas hosted an average of 115 events, ranging from a low of 64 events to a high of 164 events.

- In terms of non-tenant events, comparable facilities hosted an average of 67 events, ranging from a low of 35 events to a high of 98 events. Non-tenant events typically included concerts, family shows, motor sports, high school sporting events, graduations, religious events, trade/consumer shows, and other sporting and non-sporting events.

- The average operating revenue and operating expenses generated by comparable facilities was $4.3 million and $3.2 million, respectively. The operating revenue ranged from a low of $1.9 million to a high of $8.5 million, while the operating expenses ranged from a low of $1.9 million to a high of $6.1 million. The average net income was $1.1 million ranging from a low of a net loss of $291,000 to a high net income of $3.2 million. The average profit margin among the comparable facilities was 20 percent.

- All of the comparable facilities have private suites. The average number of private suites is 28, ranging from a low of 11 to a high of 48. The average annual suite price is $39,123.

- Out of the 13 comparable facilities, ten have club seats. The average number of club seats was 1,038 at facilities with club seats, ranging from a low of 186 to a high of 3,300. The average annual club seat price was $1,185.

- The following table presents a summary of the estimated annual events and attendance that could be attracted to a new multi-purpose arena operating in downtown Tucson in a stabilized year of operations.

Estimated Events and Attendance
Proposed Multi-Purpose Arena in Downtown Tucson

Event Type	Events Base Case	Events Best Case	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance Base Case	Total Paid Attendance Best Case	Total Turnstile Attendance Base Case	Total Turnstile Attendance Best Case
Tenant Events:								
Minor League Hockey Franchise	40	40	4,500	6,500	180,000	180,000	260,000	260,000
af2	8	8	5,500	6,500	44,000	44,000	52,000	52,000
U of A Ice Cats	18	18	2,000	2,300	36,000	36,000	41,400	41,400
Subtotal	66	66			260,000	260,000	353,400	353,400
Non-Tenant Events:								
Concerts	12	16	6,563	6,825	78,750	105,000	81,900	109,200
Rodeo/Equestrian/Other	6	8	3,500	3,500	21,000	28,000	21,000	28,000
Latino Shows	5	8	6,000	6,200	30,000	48,000	31,000	49,600
Ice Shows	6	8	6,500	6,500	39,000	52,000	39,000	52,000
Family Shows	12	15	3,750	4,000	45,000	56,250	48,000	60,000
Motor Sports	3	4	5,750	5,750	17,250	23,000	17,250	23,000
Other Sports	6	8	5,000	5,000	30,000	40,000	30,000	40,000
Graduations	2	3	3,500	3,500	7,000	10,500	7,000	10,500
Religious Events	2	2	9,500	9,500	19,000	19,000	19,000	19,000
TCC Shows	8	10	5,000	5,000	40,000	50,000	40,000	50,000
Subtotal	62	82			327,000	431,750	334,150	441,300
Total	128	148			587,000	691,750	687,550	794,700

- As depicted above, it is estimated that a new multi-purpose arena operating in Tucson with minor league hockey, arena football, and Ice Cats hockey as the main tenants could host 128 to 148 events, drawing 587,000 to 691,750 paid attendees annually and 687,550 to 794,700 turnstile attendees annually.

- It is estimated that there will be 66 tenant events and 62 to 82 non-tenant events annually. Tenant events could attract an estimated 260,000 paid attendees annually and 353,400 turnstile attendees annually. In addition, it is estimated that non-tenant events could attract 327,000 to 431,500 paid attendees annually and 334,150 to 441,300 turnstile attendees annually.

BUILDING PROGRAM

- The recommended physical characteristics of the proposed arena are based on the needs of possible tenants of the facility, physical characteristics of arenas located in similar markets and the requirements of other potential events that would likely use the proposed arena.

- A building program consisting of the following general elements is suggested based on market demand:

  - 11,000 fixed seats for ice hockey with the capability of expanding to 12,500 total seats for concerts and other events through use of portable seating;

  - 3,000 to 3,500 square feet of sub-dividable meeting space (8 to 10 rooms);

  - 3,700 to 4,200 parking spaces within walking distance, including the existing parking that is available at the TCC complex;

  - total arena square footage of approximately 300,000 square feet.

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

I. Introduction

I. Introduction

Tucson voters approved approximately $124 million in tax increment financing to fund various development projects in downtown Tucson. Additionally, approximately $124 million of public investment and $1 billion of private investment is expected to occur in various projects downtown. The entire downtown revitalization project, known as the Rio Nuevo Project, will focus on development to bring out the history, culture, and tradition of Tucson. As a part of the development plans, the City is considering the construction of a new arena to provide a larger facility with modern amenities that can attract more events and patrons, creating a critical mass to assist in supporting other Rio Nuevo initiatives. The Rio Nuevo Project will also include development of museums, theatre restorations, additional retail and restaurant opportunities, a new convention hotel, expansion of the existing Tucson Convention Center meeting and exhibition space, new entertainment facilities, residential developments, and various infrastructure improvements.

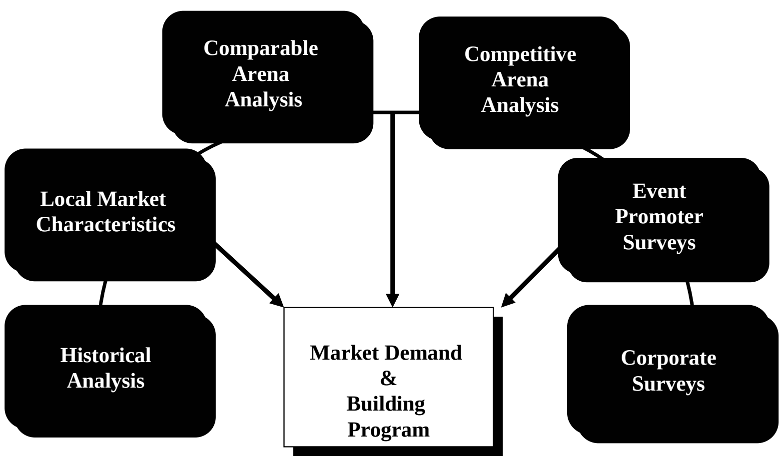
This Master Plan reflects the most current information regarding proposed land uses and is subject to change as the planning process evolves.

The City of Tucson retained CSL International (“CSL”) to provide a market analysis of a proposed new arena in downtown Tucson. The new arena would be constructed adjacent to the current Tucson Convention Center (“TCC”) and would replace the existing arena. The current arena was built in 1971 and has a seating capacity of 9,275 seats. It is one of two arenas in the Tucson market, along with University of Arizona’s McKale Center, but it is the only arena that is marketed for commercial (non-university) use. The TCC Arena serves as Tucson’s public arena holding various events such as concerts, hockey games, family shows, circus acts, conventions, consumer and trade shows, and graduations.

In order to assess the market and financial analysis of a new arena in Tucson, CSL performed the following tasks:

- Provided an overview of the historical operations of the current arena including utilization and financial operating results;
- Reviewed local market demographic and socioeconomic information within the Tucson MSA and 50-mile radius surrounding the proposed arena site, as well as a review of the impact that visitors from Mexico and seasonal resident population has on the Tucson market;
- Assembled and analyzed various physical, operating, and financial characteristics of comparable and competitive arenas; and
- Assessed potential event demand for a new arena including minor league sports tenant possibilities.

Study Methodology



The results of this analysis are designed to assess the viability of a new arena in downtown Tucson including potential utilization and the appropriate building program. Accordingly, the report is divided into the following sections:

Executive Summary;
I. Introduction;
II. Overview of the Tucson Market;
III. Tucson Arena Historical Operations;
IV. Comparable Facilities;
V. Competitive and Local Facilities;
VI. Estimated Event Demand; and,
VII. Building Program Analysis.

This report outlines the key findings of the feasibility study for a proposed multi-purpose arena to be located adjacent to the Tucson Convention Center. This study is designed to assist project representatives in making informed decisions regarding the development of the proposed multi-purpose arena. The full report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

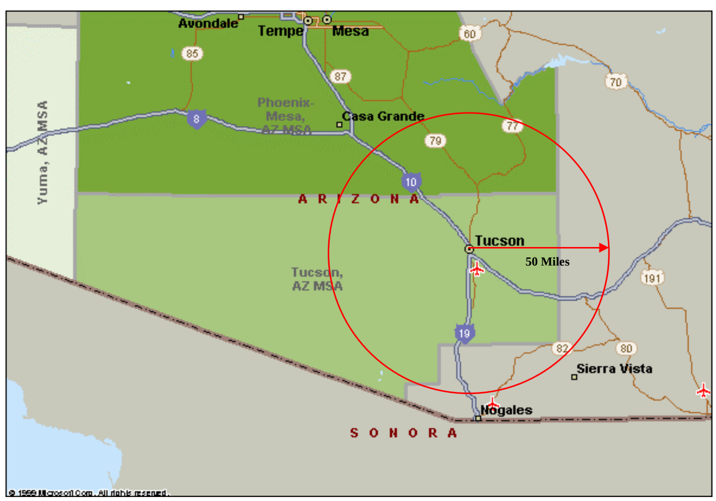
Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

II. Overview of the Tucson Market

II. Overview of the Tucson Market

An important component in assessing the potential success of a new multi-purpose arena in Tucson is the demographic and socioeconomic profile of the local market. The strength of a market in terms of its ability to attract events, attract patrons and generate revenues is measured, to some extent, by the size of the regional market area population and its income characteristics. Specific demographic and socioeconomic information that can provide an indication of the ability of a market to support a new arena includes population, households, median age and age distribution, household income, entertainment and sports-related spending, education attainment, and corporate base. Event promoters and minor league sports owners typically consider these factors when selecting the appropriate markets for their events or teams.

The demographic and socioeconomic data presented in this report is based on the anticipated *primary and secondary markets* of the proposed arena. The *primary market* is the geographic area in which it is anticipated that the majority of attendees and corporate partners are expected to originate. The size of the primary market can be influenced by factors such as transportation systems, site accessibility, media coverage and competing entertainment venues in the surrounding region. For purposes of this analysis, the primary market is assumed to comprise the Tucson Metropolitan Statistical Area ("MSA"). An MSA defines a county or group of counties having a large population center and economic ties to adjacent communities. The Tucson MSA is comprised of all of Pima County and includes cities such as Tucson, South Tucson, Marana and Oro Valley, among others.



In addition to the assessment of the primary market area, the analysis presented herein also includes an assessment of the combined primary and secondary market for the arena, which is anticipated to be within a 50-mile radius from the proposed arena. This represents a market within an approximate one-hour drive time and includes the market area from which most attendees will be drawn. Also, beyond the traditional primary and secondary markets, the proposed arena will likely draw attendees from across the Mexican border. As a result, the impact that Mexican visitors to the region may have on the proposed arena has also been considered. Additional information regarding the impact of the Mexican marketplace was obtained from a study entitled

"The Economic Impacts of Mexican Visitors to Arizona: 2001" and written by Drs. Alberta Charney and Vera Pavlakovich.

To provide a context in which to understand the impact that various demographic and socioeconomic characteristics may have on the operations of the proposed arena, the demographic and socioeconomic characteristics of Tucson have been compared to other markets hosting new multi-purpose, minor league arenas with at least 8,000 seats.

Population

The level of population from which to draw can impact the ability of the proposed arena to draw events and patrons. With more than five million people residing in Arizona, the state is the twentieth most populous state in the nation. With approximately 890,000 residents, the Tucson metropolitan area is second only to the Phoenix-Mesa metropolitan area in terms of population within the state and ranks as the nation's 68th largest among 323 MSAs in the United States. The following table presents the historical and projected population of the primary and secondary markets for the proposed multi-purpose arena.

Tucson Area Population (1)

Year	Tucson MSA	50-Mile Radius
2009 Projection	978,903	1,032,386
2004 Estimate	891,220	942,634
2000 Census	821,119	871,238
1990 Census	645,432	683,687
Projected annual growth rate (2004 to 2009)	1.9%	1.8%
Historical annual growth rate (2000 to 2004)	2.1%	2.0%
Historical annual growth rate (1990 to 2000)	2.4%	2.5%

(1) In addition to the Tucson market and surrounding populations, the Tucson market attracts approximately 3.6 million Mexican visitors each year.

Source: Claritas

The illustration on the right on the previous page highlights the expected population growth for the Tucson market. As illustrated in the exhibit, the darker shades depict areas that have grown at higher growth rates from 1990 to 2000 with the lighter areas showing sections of Tucson with little or no growth in population.

Tucson is one of the larger MSAs in the United States that does not have an NBA or NHL franchise. The following exhibit lists the top 100 markets by population without a NBA or NHL franchise. The exhibit provides the status of the largest arena in markets that do not have a professional franchise (NBA or NHL tenant). The exhibit does not include MSAs that are part of larger markets with professional teams such as Riverside, California (part of the Los Angeles market).

Arenas in Non-NBA/NHL Markets
Total Seating Capacity of 8,000 or More

MSA	Facility	Market Size	Year Built	Seating Capacity	Status
San Diego, CA	San Diego Sports Arena	2,960,100	1966	15,000	Evaluating New Arena
Baltimore, MD	1st Mariner Arena	2,635,600	1962	14,000	Evaluating New Arena
Kansas City, MO	Sprint Center	1,821,200	2007	20,000	Building New Arena
Las Vegas, NV	Thomas & Mack Center	1,774,900	1983	18,540	Multiple Venues
Cincinnati, OH	US Bank Arena	1,675,500	1975	17,849	--
Norfolk, VA	Scope Arena	1,609,100	1971	13,300	Evaluating New Arena
Austin, TX	Frank Erwin Center	1,398,100	1977	16,042	Recently Renovated
Greensboro, NC	Greensboro Coliseum	1,299,000	1959	23,830	Recently Renovated
Hartford, CT	Hartford Civic Center	1,173,300	1978	16,450	--
Jacksonville, FL	Jacksonville Arena	1,170,500	2003	16,301	New Arena
Grand Rapids, MI	Van Andel Arena	1,124,200	1996	12,864	New Arena
Oklahoma City, OK	Ford Center	1,109,400	2002	20,817	New Arena
Rochester, NY	Blue Cross Arena	1,105,200	1955	14,000	Recently Renovated
Louisville, KY	Freedom Hall Coliseum	1,043,200	1956	19,169	Evaluating New Arena
Richmond, VA	Richmond Coliseum	1,032,300	1968	13,540	Recently Renovated
Greenville, SC	Bi-Lo Center	991,900	1998	16,000	New Arena
Providence, RI	Dunkin' Donuts Center	989,700	1972	14,572	Evaluating Renovation
Fresno, CA	Save Mart Center	971,800	2003	16,204	New Arena
Birmingham, AL	B-J Convention Arena	933,200	1974	18,977	--
Tucson, AZ	**Existing TCC Arena**	**891,220**	**1971**	**9,275**	**Evaluating New Arena**
Honolulu, HI	Blaisdell Center	890,900	1964	8,733	--
Albany, NY	Pepsi Arena	881,500	1990	17,500	Announced Renovation Plans
Tulsa, OK	New Tulsa Arena	823,900	2005	19,000	Building New Arena
Worcester, MA	Centrum Centre	770,900	1982	15,000	--
Albuquerque, NM	Tingley Coliseum	734,000	1953	11,571	Evaluating New Arena
Omaha, NE	Qwest Center	733,000	2003	17,000	New Arena
Syracuse, NY	Oncenter Arena	732,400	1951	8,000	Recently Renovated
El Paso, TX	El Paso Convention Center Arena	707,600	1945	8,000	Evaluating New Arena
Gary, IN	Genesis Convention Center Arena	633,300	1979	8,200	--
Baton Rouge, LA	Riverside Centroplex	616,000	1977	11,040	--
Little Rock, AR	Alltel Arena	596,200	1999	19,000	New Arena
Mobile, AL	Mobile Civic Center	551,100	1965	10,676	--
Average (not including Tucson)		**1,144,806**	**1978**	**15,199**	

Note: Only lists markets with an arena with a seating capacity of 8,000 or more.

As shown, the Tucson MSA is the 20th largest in the country without a professional sports tenant (NBA or NHL). Most of the top United States markets have either built a new arena or significantly renovated their older venue. Only three MSAs that are larger than Tucson have not renovated or developed new arenas. The increased focus on new or renovated arenas exemplifies the importance of providing state-of-the-art amenities in order to compete with other communities to attract various touring acts.

In assessing the population of the proposed arena's market, it is also important to understand the local market population in the context of markets with comparable arenas. The following exhibit presents a list of new multi-purpose, minor league arenas that have opened since 1995 with seating capacities of at least 8,000 seats.

New Arenas Opened Since 1995 [1]
Concert Seating Capacities of 8,000 or More

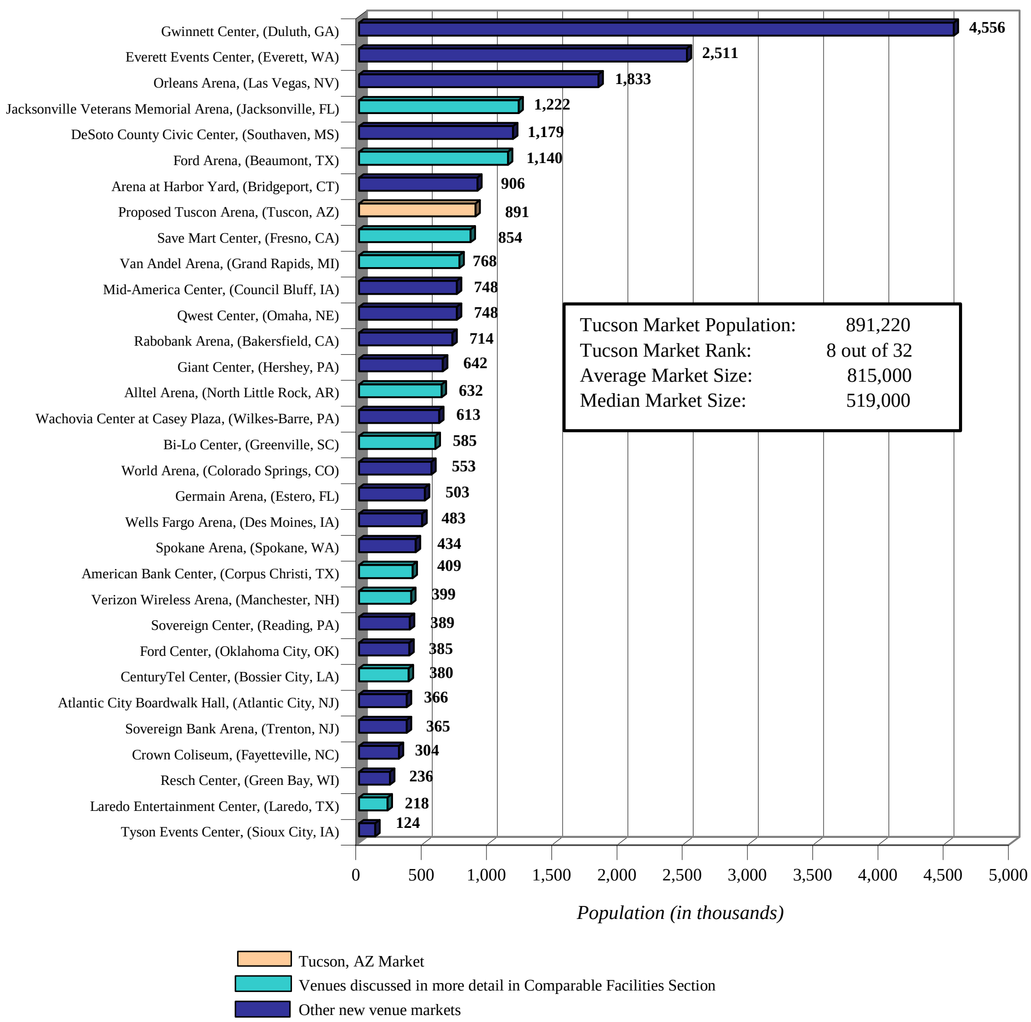
Venue	Location	MSA Population	Year Opened	Seating Capacity Fixed	Seating Capacity Hockey	Seating Capacity Concert
Ford Center	Oklahoma City, OK	1,140,319	2002	11,100	18,178	20,817
Alltel Arena	North Little Rock, AR	632,290	1999	14,000	16,000	19,000
Wells Fargo Arena	Des Moines, IA	483,083	2005	13,581	15,585	17,170
Qwest Center	Omaha, NE	748,102	2003	15,500	14,700	17,000
Save Mart Center	Fresno, CA	853,658	2003	12,363	14,224	16,182
Jacksonville Veterans Memorial Arena	Jacksonville, FL	1,221,806	2003	13,201	13,141	16,000
Bi-Lo Center	Greenville, SC	585,298	1998	13,000	14,000	15,000
Atlantic City Boardwalk Hall	Atlantic City, NJ	365,536	2001	9,643	10,900	13,800
Crown Coliseum	Fayetteville, NC	303,782	1997	10,000	10,100	13,500
CenturyTel Center	Bossier City, LA	380,015	2000	12,440	12,440	13,200
Gwinnett Center	Duluth, GA	4,556,413	2003	11,600	13,000	13,000
Spokane Arena	Spokane, WA	433,726	1995	11,114	11,000	12,500
Van Andel Arena	Grand Rapids, MI	768,280	1996	10,706	10,835	12,500
Verizon Wireless Arena	Manchester, NH	398,500	2001	8,800	10,000	11,000
Wachovia Center at Casey Plaza	Wilkes-Barre, PA	1,693,000	1999	8,300	8,500	10,500
Sovereign Bank Arena	Trenton, NJ	364,545	1999	8,100	8,100	10,500
American Bank Center	Corpus Christi, TX	409,361	2004	8,156	8,156	10,500
Tyson Events Center	Sioux City, IA	123,579	2003	n/a	6,735	10,110
Resch Center	Green Bay, WI	236,147	2002	n/a	8,500	10,000
Giant Center	Hershey, PA	641,592	2002	10,500	10,500	10,000
Arena at Harbor Yard	Bridgeport, CT	905,906	2001	n/a	8,500	10,000
Rabobank Arena	Bakersfield, CA	713,645	1998	8,000	8,641	10,000
Everett Events Center	Everett, WA	2,510,743	2003	n/a	8,200	10,000
DeSoto County Civic Center	Southaven, MS	1,179,117	2000	6,500	8,300	10,000
Laredo Entertainment Center	Laredo, TX	217,923	2002	8,100	8,065	9,622
Ford Arena	Beaumont, TX	384,714	2003	n/a	8,200	9,100
Sovereign Center	Reading, PA	388,557	2001	7,200	7,000	9,000
World Arena	Colorado Springs, CO	552,789	1995	4,500	7,400	9,000
Mid-America Center	Council Bluff, IA	748,102	2002	n/a	6,700	9,000
Germain Arena	Estero, FL	503,053	1998	n/a	7,181	8,000
Orleans Arena	Las Vegas, NV	1,833,439	2003	9,000	n/a	n/a
Average		**847,646**	**2001**	**10,225**	**10,426**	**12,200**
Tucson Convention Center Arena	**Tucson, AZ**	**891,220**				

1 Excludes university-only and professional (NBA or NHL) arenas.

A total of 31 arenas have been identified that have opened since 1995 and have a seating capacity for concerts of at least 8,000 seats. The venue capacities range from 8,000 to a high of 20,817. The venue's capacity is primarily impacted by a number of variables including the needs of the facility's tenant(s).

The following exhibit summarizes the MSA population for markets with arenas built since 1995.

Population
New Arenas Opened Since 1995
Metropolitan Statistical Areas



Source: Claritas, Inc.

As illustrated, Tucson's population of 891,220 would rank as the eighth largest out of 32 markets that have recently built new arenas. Markets with comparable arenas ranged in population from a low of 124,000 for Sioux City, Iowa (Tyson Events Center) to a high of 4.6 million in Duluth, Georgia (Gwinnett Center), a suburb of Atlanta, Georgia. The average market size for comparable new arenas is 815,000 and the median market population is 519,000.

Households

The number of households in an area is also an important factor in assessing the market potential for the proposed multi-purpose arena. The number of households in a market provides an indication of the number of buying units in a specific area. The table below presents the estimated number of households for the Tucson market area.

Tucson Area Households

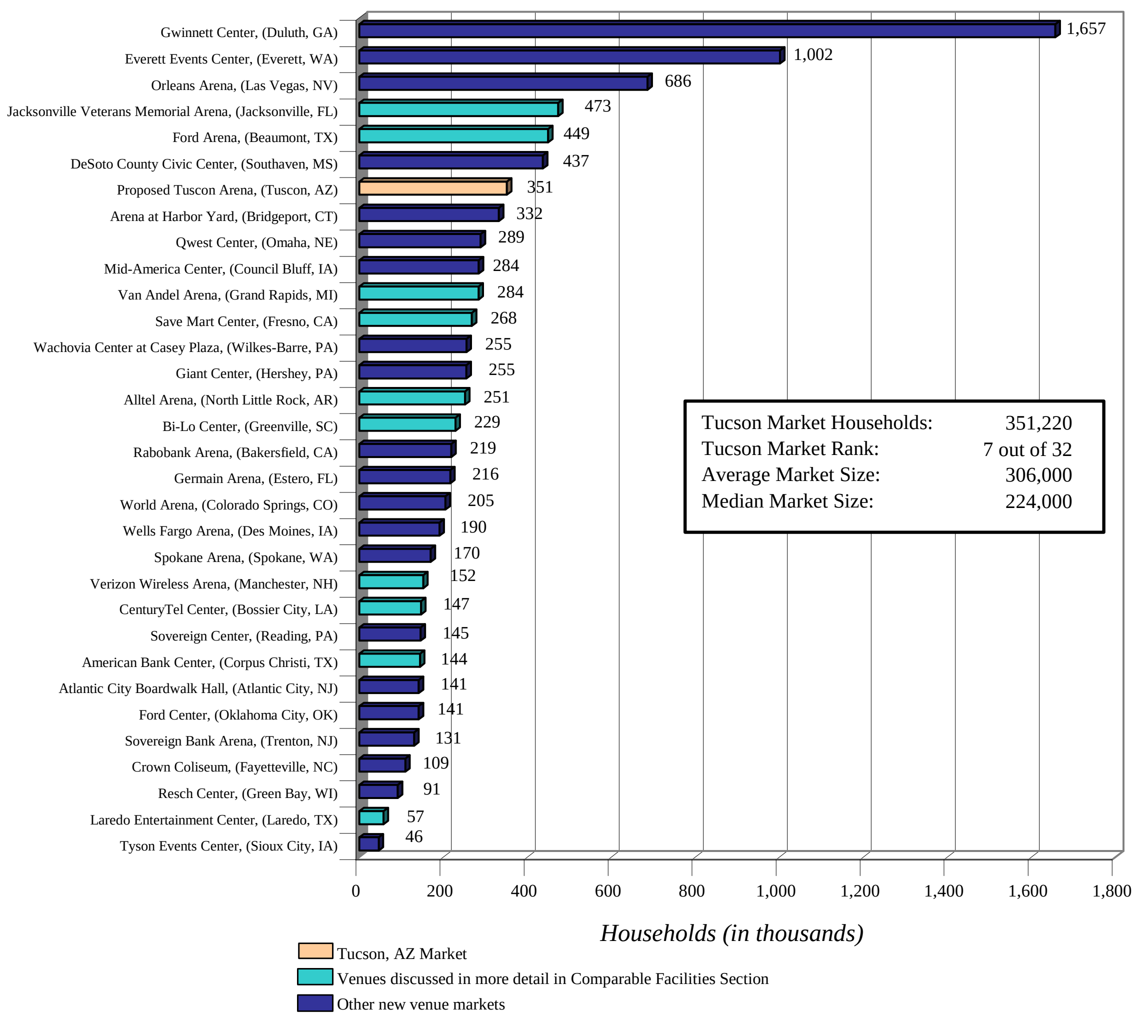
Year	Tucson MSA	50-Mile Radius
2009 Projection	385,968	408,167
2004 Estimate	351,220	372,119
2000 Census	323,528	343,560
1990 Census	253,733	268,175
Projected annual growth rate (2004 to 2009)	1.9%	1.9%
Historical annual growth rate (2000 to 2004)	2.1%	2.0%
Historical annual growth rate (1990 to 2000)	2.5%	2.5%

Source: Claritas

As shown, the number of households within the MSA and a 50-mile radius of the proposed arena are each expected to grow at an annual average growth rate of 1.9 percent over the next five years. By 2009, it is projected that there will be 385,968 households within the Tucson MSA and 408,167 within a 50-mile radius of the proposed arena.

The exhibit on the following page illustrates the number of households in markets with new comparable arenas.

Households
New Arenas Opened Since 1995
Metropolitan Statistical Area



Source: Claritas, Inc.

The number of households in the Tucson ranks seventh out of 32 markets with new comparable arenas. The average number of households in markets with new arenas is 306,000 and the median number of households is 224,000.

Age

Another demographic characteristic that can be important to the overall viability of the proposed multi-purpose arena is the age of the local populace. Generally, sports and entertainment events attract patrons of various ages with the core group of patrons clustered from the ages of 15 to 44. The following exhibit presents the percentage of total population by age for the Tucson market area.

Tucson Area Age Distribution

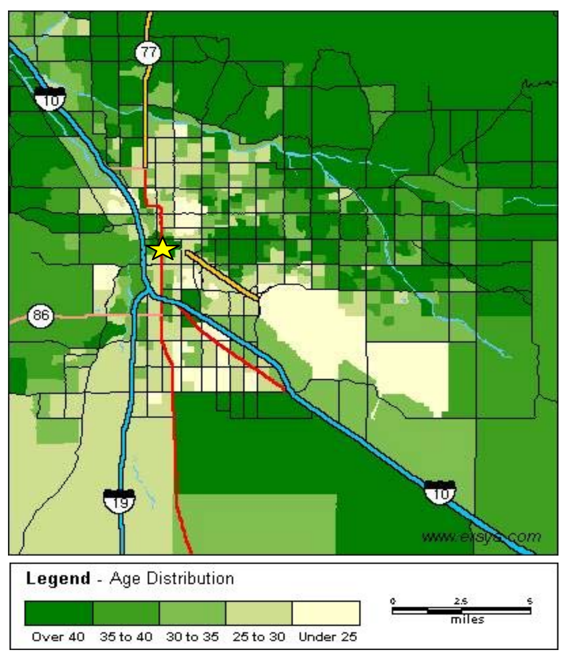
Age Distribution	Tucson MSA	50-Mile Radius
0 to 14 years	20.6%	20.5%
15 to 44 years	42.0%	41.3%
45 to 64 years	23.5%	23.6%
65 and over	14.0%	14.6%
Median Age	**36.0**	**36.4**
Average Age	**37.3**	**37.7**

Source: Claritas

As depicted in the table above, approximately 42 percent of the Tucson MSA population is between the ages of 15 and 44. The median age of residents ranges from 36.0 to 36.4 for the MSA and 50-mile radius, respectively. In comparison, the median age of residents in the United States is 35.8.

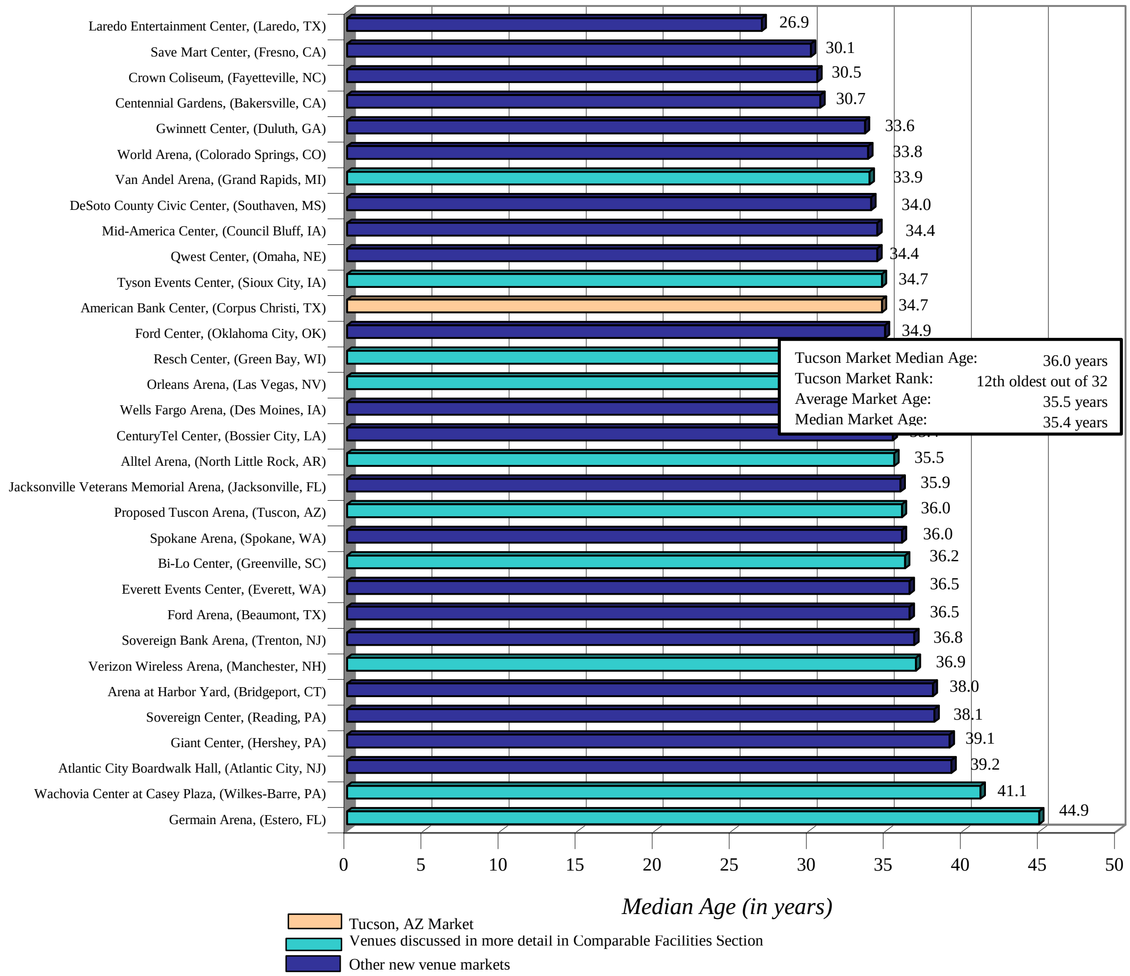
The exhibit to the right illustrates the age distribution of residents within the immediate market area of the proposed arena. The darker areas are characterized by an older population with the darkest areas having median ages of 40 years or greater. The lighter areas are characterized by younger populations with the lightest area having a median age population under 25 years.

Tucson Age Distribution



The exhibit below illustrates the median age of markets with comparable arenas.

Median Age
New Arenas Opened Since 1995
Metropolitan Statistical Areas



Source: Claritas, Inc.

As illustrated above, Tucson's median age of 36.0 years ranks as the 12th oldest of the 32 markets. Markets with new arenas ranged in median age from a low of 26.9 years in Laredo, Texas (Laredo Entertainment Center) to a high of 44.9 years in Estero, Florida (Germain Arena). The average median age for comparable new arenas is 35.5 years.

Income

An important socioeconomic variable that can be indicative of the market potential for the proposed arena is household income. Household income can be used to measure a market's ability to purchase tickets, concessions, novelties, parking and other such items.

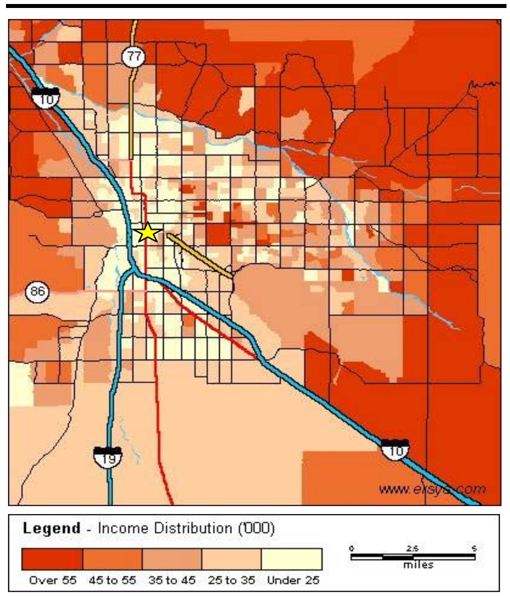
The exhibit below indicates the percentage of households by income level as well as median, average and per capita household incomes of the local market area.

Tucson Area Income Distribution

Household Income Distribution	Tucson MSA	50-Mile Radius
Less than $15,000	16.0%	16.0%
$15,000 to $24,999	13.3%	13.3%
$25,000 to $34,999	14.2%	14.2%
$35,000 to $49,999	16.7%	16.7%
$50,000 to $74,999	18.2%	18.2%
$75,000 to $99,999	9.8%	9.8%
More than $100,000	11.8%	11.7%
Median Household Income	**$40,817**	**$40,813**
Average Household Income	**$55,450**	**$55,447**
Per Capita Income	**$22,162**	**$22,197**

Source: Claritas

Tucson
Income Distribution

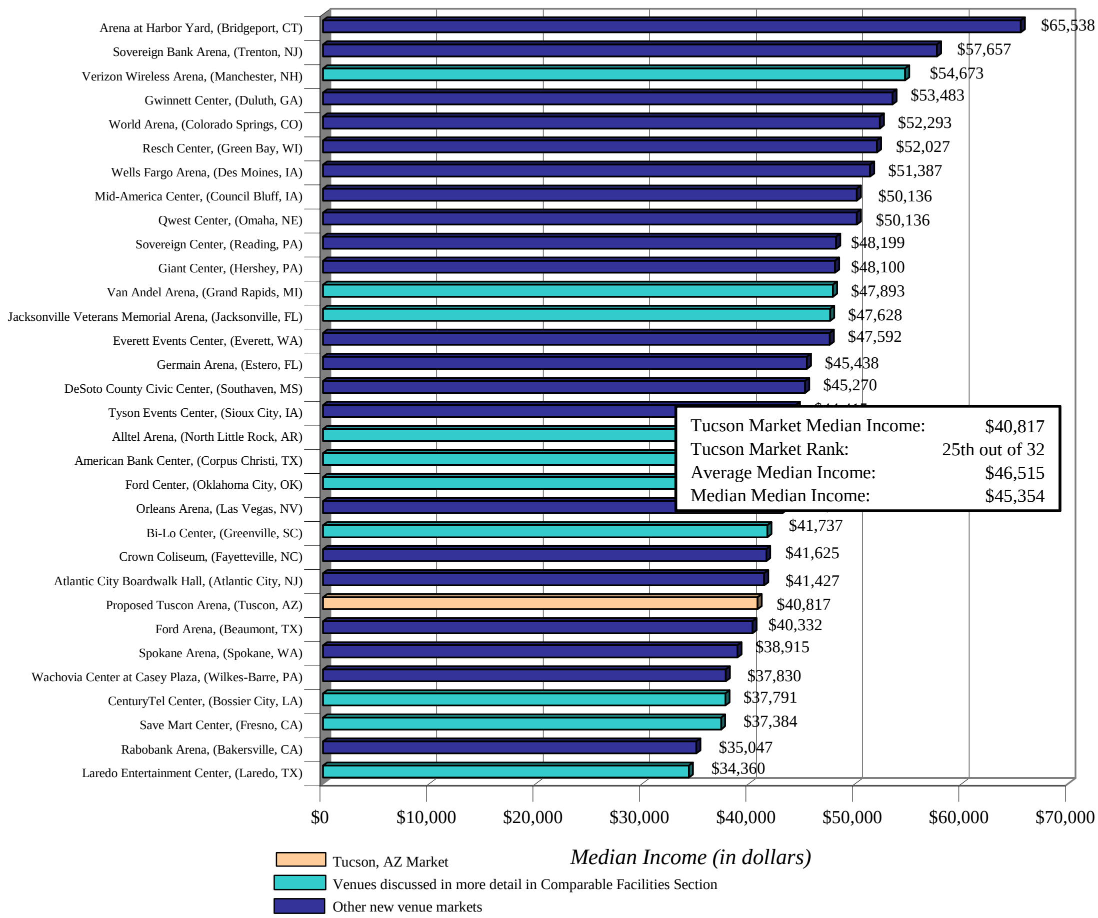


As shown, median household income is $40,817 in the MSA and $40,813 within a 50-mile radius, respectively. In comparison, the median household income in the United States is $42,280. It should be noted that any comparison of household incomes among different geographic regions should consider the cost of living characteristics of an area. Tucson's cost of living index is 98.1, which is slightly lower than the U.S. index average of 100.

The illustration on the right shows the income distribution of the immediate Tucson market area. The darker shades denote areas of higher income while the lighter shades denote areas with lower incomes. The relatively high incomes in the areas to the west, north, and northwest of the proposed arena indicate that the market may have a higher propensity to allocate discretionary dollars towards sporting and entertainment events. However, the immediate area surrounding the proposed arena and most of central Tucson have lower income areas.

The following exhibit presents a comparison of the median household income of markets hosting multi-purpose, minor league arenas that have opened since 1995. The median incomes for each market listed have been adjusted for cost of living considerations.

Median Household Income [1]
New Arenas Opened Since 1995
Metropolitan Statistical Areas



[1] Median incomes have been adjusted for cost of living to the Tucson MSA.

Source: Claritas, Inc.

As illustrated above, Tucson's median household income of $40,817 ranks 25th out of 32 markets. Markets with new arenas ranged in median household income, which was adjusted by the cost of living index to Tucson dollars, from a low of $34,360 for the Laredo Entertainment Center in Laredo, Texas, to a high of $65,538 for the Arena at

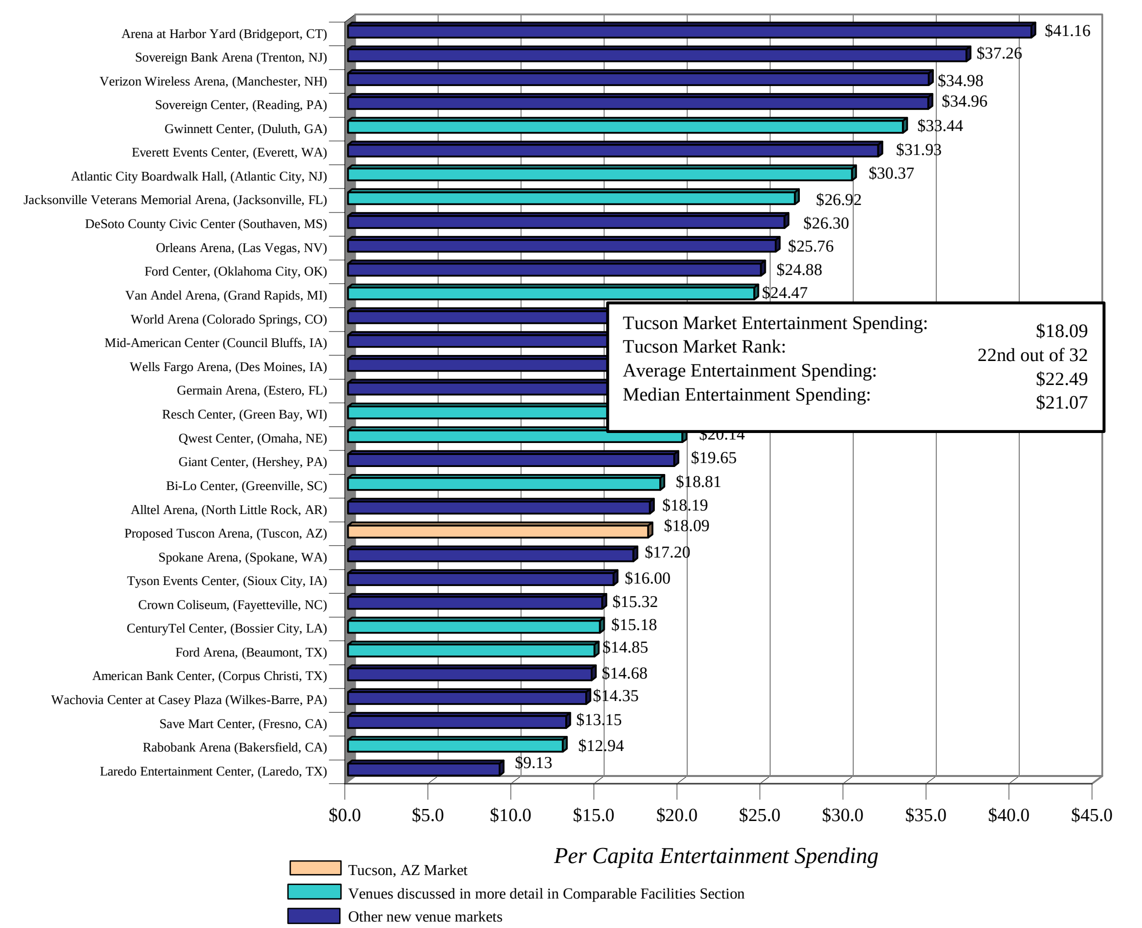
Harbor Yard in Bridgeport, Connecticut. The average and median household median incomes for comparable new arenas are $46,515 and $45,354, respectively.

Entertainment and Sporting Event Spending

Along with the total amount of income that each household generates, it is important to understand the amount of money being spent by patrons in the market on entertainment and sporting events or attractions.

The chart on the following page presents a comparison of the per capita entertainment dollars spent in the Tucson market and comparable markets hosting arenas that have opened since 1995 with seating capacities of at least 8,000 seats.

Per Capita Entertainment Spending
Markets With New Arenas Opened Since 1995
Metropolitan Statistical Areas

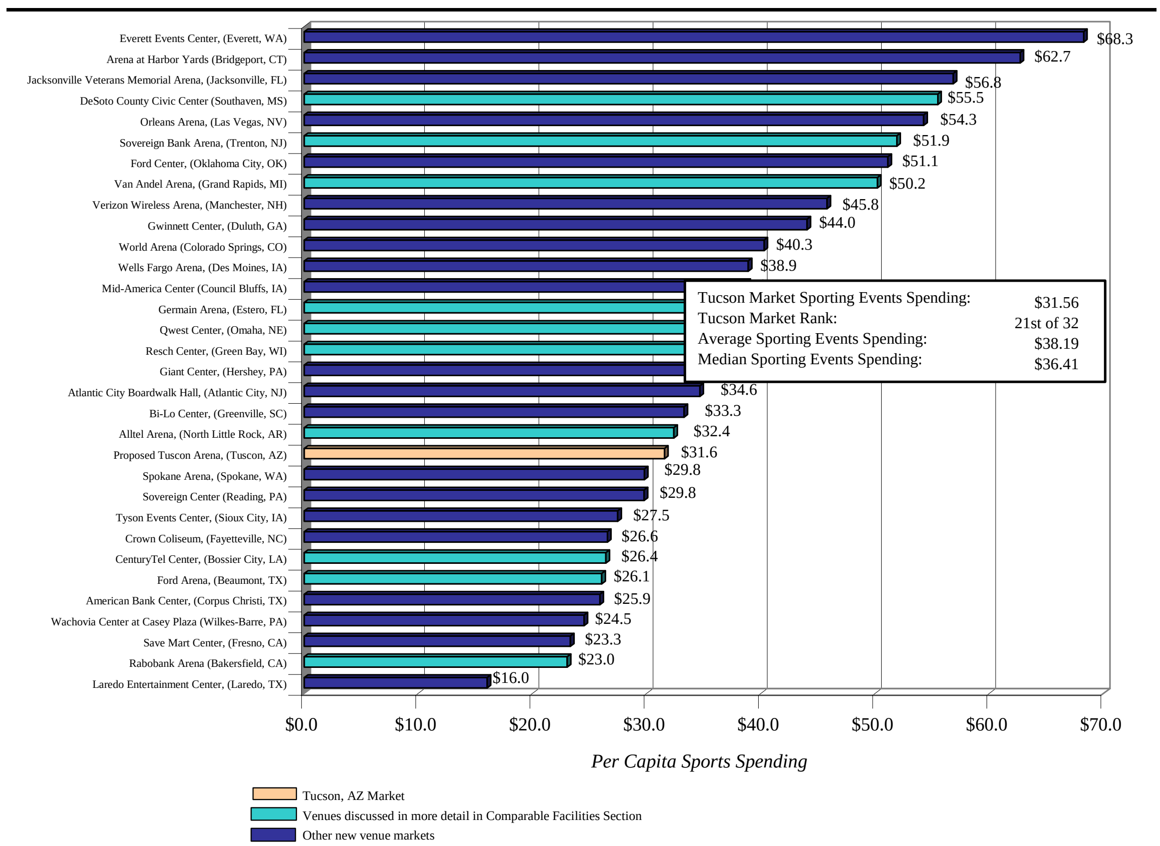


Source: Claritas, Inc.

As illustrated above, the Tucson market's per capita entertainment spending of $18.09 ranks 22nd out of 32 markets. Markets with comparable arenas ranged in spending from a high of $41.14 at in Bridgeport, Connecticut (Arena at Harbor Yard) to a low of $9.13 in Laredo, Texas (Laredo Event Center). The average market spending for entertainment is $22.49 and the median amount is $21.07. Four of the top six markets in terms of spending are markets that host professional sports, which in turn directly impacts the level of entertainment spending in the marketplace.

The chart on the following page presents a comparison of the annual spending for admissions to sporting events in markets with comparable arenas.

Sports Spending
Markets With New Arenas Opened Since 1995
Metropolitan Statistical Areas



Source: Claritas, Inc.

On a per capita basis, sporting event spending for the Tucson market is approximately $31.60, lower than average of the comparable markets at $38.15 and is also lower than the median of the comparable markets at $36.41. The market of the Everett Events Center (Seattle, Washington) has the highest per capita spending at $68.30, which is due to the presence of professional sports teams in Seattle, and the lowest is the market of the Laredo Entertainment Center at $16.00.

Education

Education level is one of the most important drivers of economic welfare in metropolitan areas. Metropolitan regions with highly educated workforces tend to fare significantly better in income growth than do regions with fewer educated workers, and the gap between the two is growing wider in various regions of the United States.

Tucson Unified School District is a pre-kindergarten through 12th grade district with an enrollment of approximately 60,000 students. The district operates over 100 regular public schools with several of those schools having classes to meet specialized student needs. In addition, the immediate area offers a public four-year college, the University of Arizona (UA), which is located just blocks to the east of the proposed arena site. UA offers over 150 undergraduate degrees and over 200 masters, doctoral and specialist degrees. The area also offers other institutions of higher education such as Pima Community College, Chaparral College, University of Phoenix, and ITT Technical Institute, among others.

The following table illustrates the educational attainment of local residents that are 25 years of age or older.

Tucson Area Educational Attainment [1]

Educational Attainment	Tucson MSA	50-Mile Radius
Less than 9th grade	6.0%	6.2%
Some High School, no diploma	9.9%	10.0%
High School Graduate, or GED	22.9%	23.1%
Some College, no degree	26.9%	26.9%
Associate Degree	6.9%	6.8%
Bachelor's Degree	16.3%	16.1%
Master's Degree	7.4%	7.3%
Professional School Degree	2.1%	2.0%
Doctorate Degree	1.6%	1.6%

(1) 2004 Estimated population age 25+ by educational attainment.

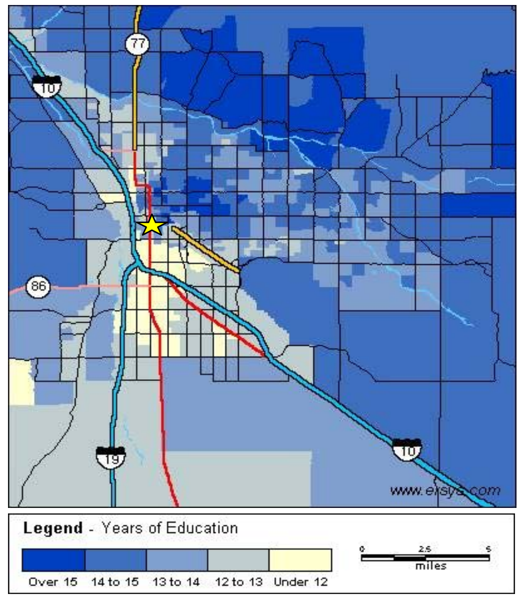
Source: Claritas

As depicted in the table on the previous page, 27.4 percent of the market has attained a 4-year bachelor's degree or higher. In comparison, 24.6 percent of the U.S. population age 25 and above attained a 4-year bachelor's degree or higher.

The illustration to the right shows the dispersion of adults over 25 and the average number of years they attended school. The average assumes it takes a total of 12 years to complete elementary, middle and high school, and 4 years to complete college.

The illustration reveals that the lesser educated population lives in central and southeast Tucson while the more educated population lives to the northwest of the proposed arena site.

Tucson
Education Attainment



Corporate Inventory

Local corporations could play a significant role in the overall success of the proposed multi-purpose arena by purchasing tickets, premium seating and/or advertising or sponsorship opportunities. The exhibit below presents the number of corporate headquarters and corporate branches with at least 25 employees by annual sales within the local market.

Tucson Area Corporate Base (1)

Annual Sales	Tucson MSA
Headquarters:	
Unknown	14
Under $1,000,000	165
$1,000,000 to $4,999,999	583
$5,000,000 to $9,999,999	166
$10,000,000 to $49,999,999	139
$50,000,000 to $99,999,999	20
$100,000,000 to $499,999,999	20
Over $500,000,000	3
Headquarters - Subtotal	**1,110**
Branches	**800**
Total	**1,910**

(1) Includes corporate headquarters and branches with at least 25 employees

Note: Certain SIC codes like government entities, school districts, retail stores, and non-profit organizations have been eliminated.

Source: Dun & Bradstreet

As shown in the exhibit on the previous page, there are 1,110 corporate headquarters within the Tucson MSA meeting certain criteria. Approximately 31 percent of the corporate headquarters have annual sales of $5.0 million or more. Additionally, there are 800 corporate branches with at least 25 employees within the immediate Tucson market area.

In addition to the number of corporate headquarters and branches in the local market, the depth and breadth of the local market's major employers provides an indication of the ability of the local area to withstand economic downturns. The table below lists the area's top 12 major employers by industry and the number of employees.

Tucson Area Major Employers

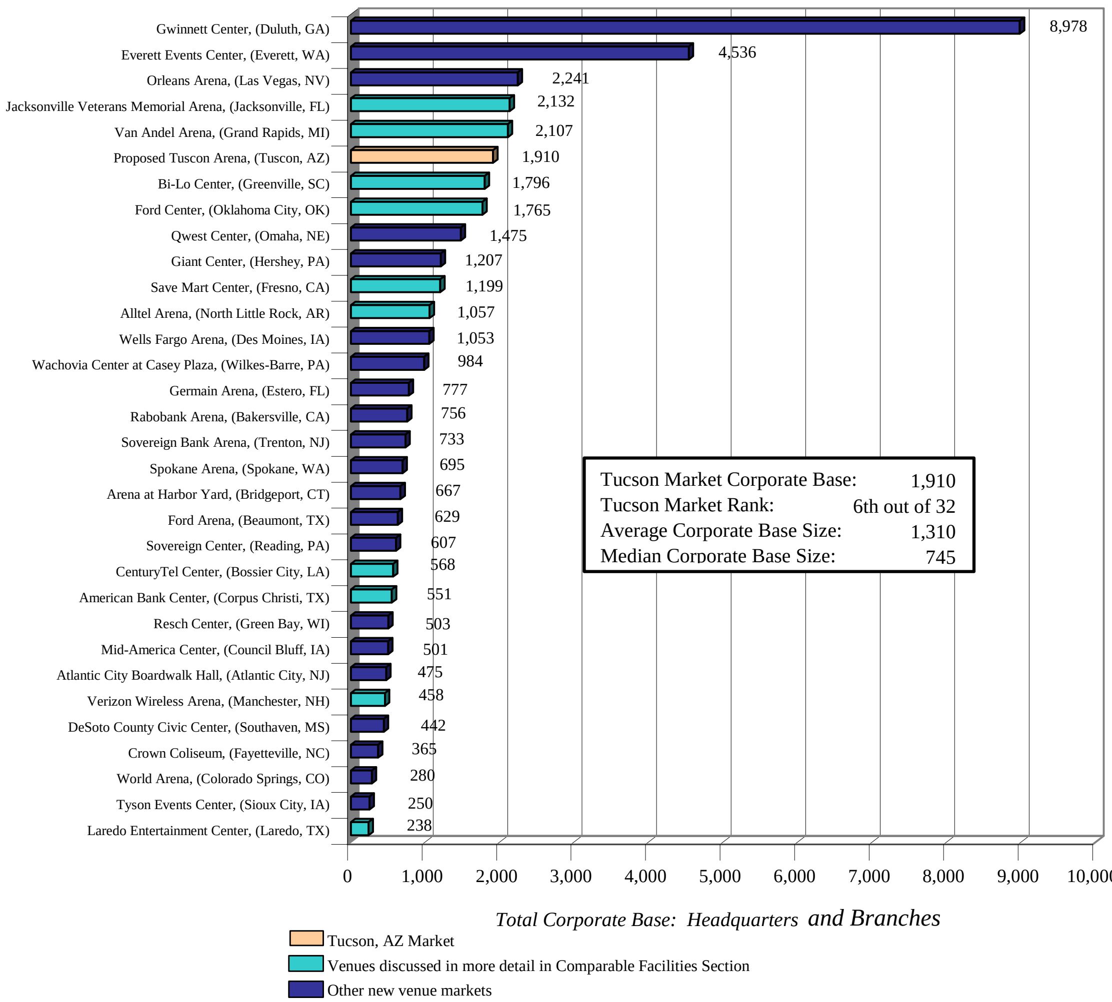
Company / Entity Name	Industry	Number of Employees
Raytheon Missile Systems	Manufacturing	10,171
University of Arizona	Education	10,078
Davis-Monthan Air Force Base	Defense	7,692
Tucson Unified School District No. 1	Education	7,690
Pima County	Public Administration	6,987
City of Tucson	Public Administration	5,495
University Medical Center Corporation	Health Services	2,700
Carondelet Health Network	Health Services	2,689
TMC HealthCare	Health Services	2,562
Pascua Yaqui Tribe	Public Administration	2,427
Amphitheater Public Schools	Education	2,255
Pima Community College	Education	2,204

Source: Arizona Daily Star's Star 200: Major Employers of Southern Arizona, 2004

As shown above, major employers in the Tucson area includes Raytheon Missile Systems with 10,171 employees, the University of Arizona with 10,078 employees and Davis-Monthan Air Force Base with 7,692 employees.

The chart on the following page presents a comparison of the corporate base of markets hosting new multi-purpose, minor league arenas with at least 8,000 seats.

Corporate Base (1)
New Arenas Opened Since 1995
Metropolitan Statistical Areas



(1) Includes corporate headquarters and branches with at least 25 employees.
Source: Claritas, Inc.

As shown above, Tucson's corporate base of 1,910 corporate headquarters and branches ranks sixth out of 32 markets. Markets with new arenas ranged in size from a low of 238 in Laredo, Texas (Laredo Entertainment Center) to a high of 8,978 in Duluth, Georgia (Gwinnett Center). The average corporate base for comparable new arena markets is 1,310 companies, and the median is 745 companies.

Transportation

For cities to remain competitive, a modern and efficient transportation system that has the capability to provide connections and physical infrastructure for all modes of transportation is vital. Various modes of transportation include airport and cargo facilities, roads and railroad connections, public transit, and bicycle and pedestrian facilities.

Currently, Tucson residents and visitors have access to Sun Tran Transit system with bus lines and stops running through most areas of Tucson and stretching outside of the city limits. The City of Tucson has designated areas for cyclists and pedestrians throughout the City with more than 400 miles of bikeways and multi-use paths running downtown to beyond the City limits.

The major airport in Tucson is the Tucson International Airport. This airport provides flights from 13 airlines with 69 total daily flights. It has 17 non-stop destinations and with connections can reach 121 destinations. The airport is located in south Tucson.

Regional Roadway Access

The City of Tucson has access to major highways that allow for travel to California, the eastern United States, Mexico, and up north through Phoenix. The map to the right displays the major interstate and state highways that connect Tucson to the regional area.

As detailed, the major interstate highways with direct access to Tucson are Interstate Highways 10 and 19. IH-10 travels east through Las Cruces, NM, El Paso, TX, ending in Jacksonville, FL. In addition, IH-10 travels north through Phoenix and then west to Los Angeles, California. IH-19 travels south from Tucson to Nogales and the Mexican border. Northwest of Tucson, IH-10 connects with IH-8, which travels west through Yuma towards San Diego, CA. In addition to the interstate highways, State Highways 79 and 77 intersect with Tucson from the north.

The following table depicts major metropolitan areas with an approximate four-hour drive of Tucson.

Distance from Major Regional Metropolitan Areas

Metropolitan Area	Miles from Tucson	Drive Time in Hours	Market Population
Nogales, AZ	70	1.1	350,000 *
Phoenix, AZ	115	2.0	3,552,700
Yuma, AZ	241	3.7	172,900
Flagstaff, AZ	260	4.2	131,300
Las Cruces, NM	274	4.2	181,400

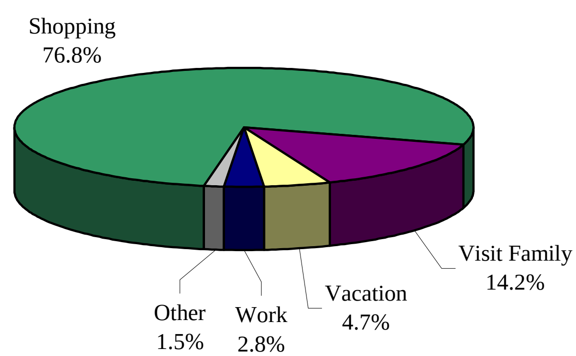
* Also includes population of Nogales, Mexico, and surrounding areas.

Impacts of Mexican Visitors to Tucson

Each year millions of visitors from Mexico enter the United States for various reasons. In 2001, approximately 22.9 million non-United States residents entered the United States through ports of entry in six border cities at the Arizona-Mexico border. Over the past 25 years, annual alien border crossings have ranged from approximately 13.3 million in 1977 to approximately 25.7 million in 2000.

The purpose behind visiting the United States varies among Mexican citizens. The chart below specifies the reasons Mexicans have visited the City of Tucson.

Purpose of Mexican Visitors



As depicted in the chart on the previous page, 76.8 percent of Mexican visitors came to Tucson for the purpose of shopping. An additional 14.2 percent mentioned their reason for coming to Tucson was to visit family, 4.7 percent came for vacations, 2.8 percent because of work, and 1.5 percent stated other reasons.

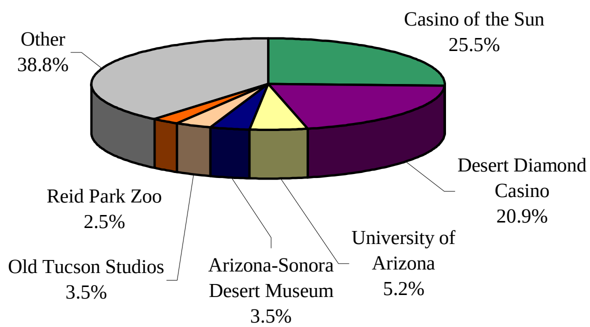
The number of Mexican visitors visiting the Tucson area is an important factor in realizing an opportunity that may exist in attracting Mexican visitors to various events that could be held at the proposed arena. According to the 2001 study, approximately 1.4 million Mexican parties came to the United States with Tucson as their destination city for travel. The average party size was estimated to be about 2.7 individuals, resulting in a total of approximately 3.6 million visitors. Results revealed that parties entering the United States to visit border cities had party sizes of about 1.8 to 2.2, but the party size seems to increase the further the party travels inland. The average length of stay for Mexican visitors in Tucson is about 0.44 nights. The overall percentage of visitors that stay one or more nights in Tucson is 16.1 percent.

An important impact that visitors from Mexico have is the amount of money they spend in the local Tucson area during their stay. According to the 2001 study, it is estimated that Mexican visitors spend over $300 million in Pima County, a substantial increase over the estimated $109 million spent in the same area in 1991.

Major benefactors of the spending of Mexican visitors are the city, county, and state government bodies. In 2001, the City of Tucson received about $5.9 million from Mexican visitor spending, along with $3.8 million generated by Pima County, and $19.5 million generated by the State of Arizona.

A vast number of Mexican citizens that travel each year to visit Tucson attend various attractions while in the area. The chart on the following page reveals the top attractions that Mexican visitors attended in 2001.

Attractions Attended by Mexican Visitors



Other includes: Mt. Lemmon, A Mountain, Sabino Canyon, Pima Air & Space Musem, among others.

Source: "The Economic Impacts of Mexican Visitors to Arizona: 2001" by Charney and Pavlakovich.

As depicted above, the two main attractions visited by Mexican visitors are the Casino of the Sun (25.5 percent) and Desert Diamond Casino (20.9 percent). Interviews with representatives from the casinos revealed that the percentage of Mexicans attending their spectator events can range from 20 to 80 percent depending on the type of event, with an overall average of approximately 25 percent. Other main attractions visited consisted of the University of Arizona (5.2 percent), Arizona-Sonora Desert Museum (3.5 percent), Old Tucson Studios (3.5 percent), Reid Park Zoo (2.5 percent), and other attractions (38.8).

The amount of impact that Mexican visitors can have on a new arena is evident in the markets of Hidalgo, Texas, and Laredo, Texas. Hidalgo and the surrounding areas have a population of 619,800, excluding the Mexican population south of the border, which includes Reynosa, Mexico, with a population of over 320,000, and Monterrey, Mexico, which is located within 150 miles and has a population of approximately 1.1 million. Dodge Arena, which opened in 2003, averages 5,114 spectators per hockey game, over 600 more than the Central Hockey League ("CHL") average. The facility also hosts numerous concerts, family shows, and other entertainment. In its first year of operations, the arena hosted over 100 events and drew over 400,000 attendees.

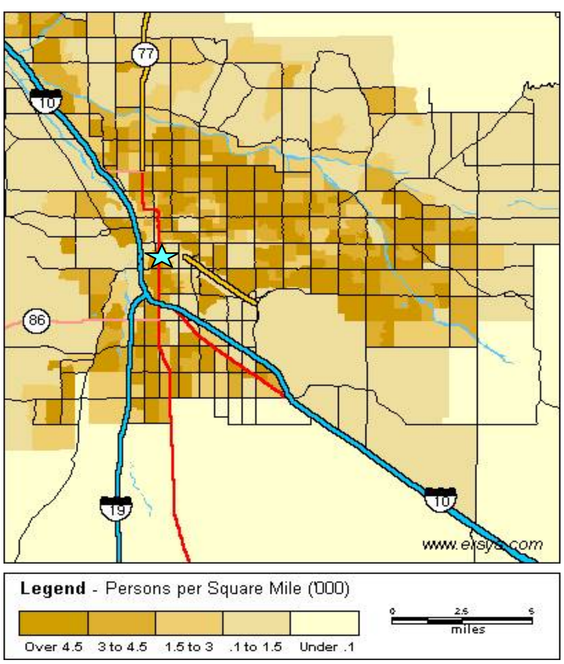
Laredo has a market population of only 211,000, yet its location near the Mexican border and over one million Mexican residents, including Nuevo Laredo with over 270,000 residents, has allowed its new arena, the Laredo Entertainment Center, to be successful since its recent opening. The arena is home to a minor hockey league tenant, which averages 6,519 attendees per game, over 2,000 more than the average attendance for

Within the proposed arena's primary market, there is a total population of 891,220. This population is expected to grow at an average annual growth rate of 1.9 percent over the next five years, resulting in a primary market population of 978,903 by 2009. The growth rate of the primary market over the next five years is expected to be more than double the national average.

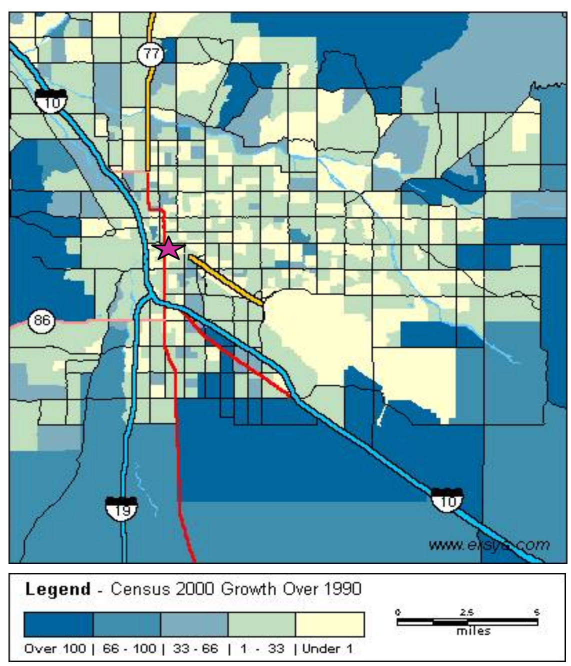
In terms of the proposed arena's primary and secondary markets (50-mile radius), there are 942,634 residents within a 50-mile radius of central Tucson. The 50-mile radius area has an expected annual growth rate of 1.8 percent over the next five years, growing to over 1.0 million by 2009. It is important to note that this population level does not account for the students at the University of Arizona, seasonal residents who reside in the area during the winter, or the considerable number of Mexican visitors. Within 60 miles of Tucson is the Mexican border city of Nogales, which has about 350,000 residents in the city and the surrounding areas.

The exhibit shown on the left below illustrates the population density, or residents per square mile, for the Tucson area. As illustrated, the darkest areas indicate the highest density levels with at least 4,500 residents per square mile, while the lightest areas have the lowest population density with less than 100 residents per square mile.

Tucson
Population Density



Tucson
Population Growth



teams in the CHL. This venue is also host to numerous concerts, family shows, sporting events, circus acts, and motor sports. The arena hosts over 100 events and about 500,000 patrons annually.

Impacts of the University of Arizona to Tucson

The City of Tucson contains the second largest university in the State of Arizona, the University of Arizona. The campus first opened in 1891 and now has a student population of over 34,000 students. The University of Arizona campus is located less than one mile from the site of the proposed arena.

The large student population in the Tucson market may affect the type and genre of events that are held at facilities in the city. For example, certain event promoters, such as concert promoters, prefer markets with large student populations.

Impacts of Seasonal Visitors to Tucson

With a climate that is hot in the summer and mild during the winters, there are numerous people who own a home or lease a property in the Tucson area to escape the cold winters of the northern areas of the United States between the months of November and March. The characteristics of people, known as "snow birds", who stay in Tucson during the winter months tend to be retired couples who usually enjoy entertainment events while away from their permanent homes in the north. This group of people tend to be in the higher age groups and have more discretionary income to spend on entertainment and leisure.

The migration of older individuals to the Tucson market during the winter months has a market impact on the City of Tucson's economy. It is estimated that during the 2002/03 fall and winter seasons, seasonal residents occupied about 7,200 mobile home spaces and RV spaces, accounting for a total of approximately 15,800 people. The results of a 1995 *Arizona Republic* survey of winter residents indicated that a winter resident's household stayed about four months and spent about $1,600 per month in Arizona during the duration of their stay.

Entertainment and Sports Attractions

Tucson hosts various sports teams and events, including the University of Arizona athletic teams, minor league baseball, and Major League Baseball spring training. As illustrated in the following exhibit, various entertainment and sporting events are held at various facilities within the Tucson metropolitan area.

Entertainment and Sports Venues
Local Tucson Area

Facility	Location	Capacity	Tenants / Events
Pima County Fairgrounds	Tucson, AZ	64,000 (1)	Outdoor Concerts, Trade shows, Car Show, County Fair Events
Arizona Stadium	Tucson, AZ	56,197	Collegiate Football
McKale Center	Tucson, AZ	14,545	Collegiate Basketball and Volleyball
Tucson Electric Park	Tucson, AZ	11,000	AAA Baseball, MLB Spring Training
Hi Corbett Field	Tucson, AZ	10,000	Women's National Prof. Fastpitch League, MLB Spring Training
TCC Arena	Tucson, AZ	9,275	Hockey, Concerts, Family Shows, Trade Shows, Other
AVA Amphitheater	Tucson, AZ	5,000	Concerts
Diamond Entertainment Center	Sahuarita, AZ	2,400	Concerts, Boxing
TCC Music Hall	Tucson, AZ	2,289	Concerts, Theatre, Opera, Other
TCC Theatre	Tucson, AZ	511	Theatrer, Comedy, Other

(1) Pima County Fairgrounds' Super Stage is an outdoor concert stage with a grass section that can hold 64,000 with no fixed seating.
Source: CSL research and facility interviews.

Pima County Fairgrounds

The Pima County Fairgrounds contains several buildings that house horse shows, Pima County Fair exhibits, and trade shows. The Southern Arizona Super Stage, a covered stage facing a grass field that can hold up to 64,000 spectators, is located at the fairgrounds. A second stage on the premises, the Main Stage, has grass areas that hold up to 5,000 people, and with the addition of bleachers, another 2,000 people can view the stage. Adjacent to the fairgrounds is the Southwestern International Raceway, a drag strip that has seating for up to 6,000 people.

Arizona Stadium

Located on the campus of the University of Arizona, Arizona Stadium has a seating capacity of 56,197 seats. The facility hosts UA's Wildcats football games as well as a limited number of other events. The University of Arizona campus is located about one mile from the Tucson Convention Center. The stadium contains 21 suites containing 18 seats each and leasing for an average annual fee of $22,000.

McKale Center

The McKale Center is also located on the University of Arizona campus and has a seating capacity of 14,545 seats. The arena is used as the home court of the men and women's Wildcat basketball teams and the women's volleyball team. The arena holds various university events, but is not commercially marketed to host non-university events.

Tucson Electric Park

Tucson Electric Park is the main ballpark on the Kino Sports Complex grounds. TEP is home to the Tucson Sidewinders, a AAA baseball team. In addition to the minor league baseball season, TEP hosts the Chicago White Sox and the Arizona Diamondbacks during spring training.

Hi Corbett Field

Hi Corbett Field is a ballpark that has a seating capacity of 10,000 seats. The Colorado Rockies of Major League Baseball use Hi Corbett Field as their spring training facility. With the recent addition of the Arizona Heat, a franchise of the National Professional Fastpitch softball league, the field is also used as a softball facility.

AVA Amphitheater

The AVA Amphitheater is a part of the Casino del Sol and has a seating capacity of 5,000 seats. It hosts various concerts throughout the year and has the convenient nearby access of the gaming opportunities and to numerous restaurants.

Diamond Entertainment Center

The Diamond Entertainment Center is located at the Desert Diamond Casino I-19 and has a seating capacity of 2,400 seats. The facility hosts various concerts, boxing matches, and comedy performances throughout the year. The facility also allows patrons convenient access to gaming opportunities and restaurants.

TCC Music Hall

The Tucson Convention Center has a Music Hall located on its premises that seats up to 2,289 patrons. The Hall is host to various symphonies, small concerts, theatre shows, operas, and is used in conjunction with several convention center events.

TCC Theatre

The Tucson Convention Center also has a theatre on its premises, the Leo Rich Theatre, which seats up to 511 spectators. The facility is used mainly for theatre productions and comedy performances, but is also used for speakers of conferences and conventions.

Summary

As previously mentioned, the demographic and socioeconomic characteristics of a market are important components in assessing the potential success of the proposed arena. The strength of a market in terms of its ability to attract events and spectators and generate revenues is predicated, somewhat, on the size of the regional market area population and its spending characteristics in the context of competition within the market.

The following are key conclusions of the proposed arena's market:

- The Tucson metropolitan area has approximately 891,000 people and is the 68th largest among the 323 metropolitan areas in the United States.

- Tucson is the 20th largest market in the United States without a professional tenant (NBA or NHL franchise) in an arena.

- There are only three markets larger than Tucson without a professional tenant that have not developed new arenas or significantly renovated existing arenas in the past 15 years.

- A total of 942,634 residents live within 50 miles of the proposed arena, an area comprising the proposed arena's primary and secondary market area and the area from which most arena attendees will be drawn. In addition, there are about 350,000 Mexican residents that live in the area surrounding the border city of Nogales.

- Due to its proximity to a larger market, approximately 120 miles from Phoenix, and the existing venues in Tucson, a new arena could face strong competition when competing for concerts and family shows, but will have limited competition in the immediate market in regards to sporting events. There is also the potential to create synergies for hockey with Glendale Arena and other events.

- The median age and age distribution of the local market is older than the national average, but does have a large portion of residents within the prime ages for sports and entertainment event attendance. The larger percentage of older individuals is balanced with the presence of a large university in the market.

- The household income in the market of the proposed arena ranks below the national average, which may indicate that the primary market has a lower propensity to allocate discretionary dollars to entertainment activities associated with a new arena. There is, however, additional discretionary dollars being spent in the market on activities by tourists from Mexico and seasonal residents.

- The corporate base of the Tucson market contains nearly 2,000 corporate headquarters and corporate branches, providing a strong base of which to market premium seating, tickets, and advertising and sponsorship opportunities

- Compared to 31 other markets with comparable facilities, the Tucson market ranks high in regards to population, corporate base and entertainment and sporting event spending, but ranks low in median household income and age distribution.

- Three factors that will be important to the Tucson market in attracting events to the proposed arena are the university students in the market, visitors from Mexico, and seasonal residents.

The demographic and socioeconomic characteristics of the proposed arena's market are considered together with an assessment of the competitive facilities in the marketplace, the historical operations of comparable facilities, and interviews with event promoters to estimate demand.

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

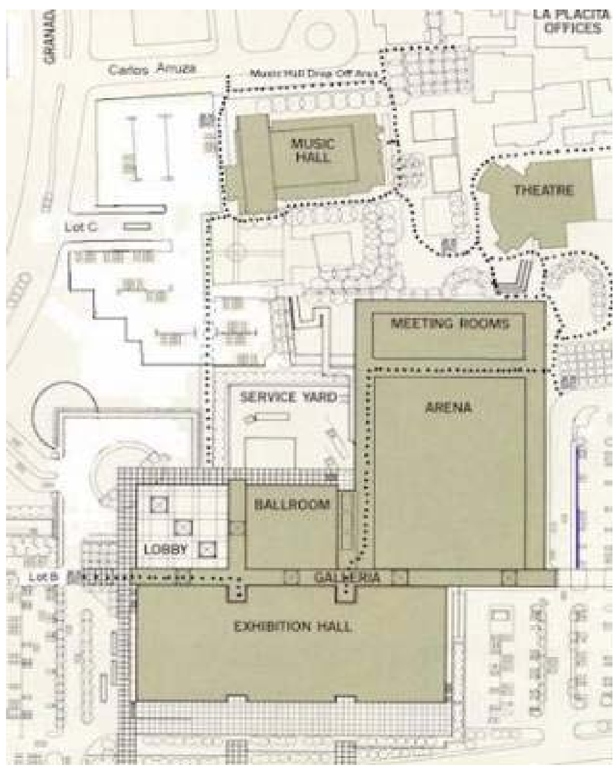
III. Tucson Arena Historical Operations

The primary purpose of this section is to provide an overview of the current facilities of the Tucson Convention Center along with existing conditions and historical operations of Tucson Arena. An analysis of the historical operations of the existing arena serves as a basis for quantifying the existing market and estimating any incremental benefits that may likely occur with a new arena. Specific items analyzed included trends related to event levels, attendance, and revenues and expenses.

Tucson Convention Center Complex

The Tucson Convention Center ("TCC") consists of different buildings that host various events. TCC facilities TCC include a convention center, an arena, a music hall, and a theatre.

Tucson Convention Center



The convention center contains four large exhibit halls that comprise approximately 114,000 square feet of space. In addition to exhibit hall space, there is approximately 20,000 square feet of banquet space available. The convention center holds events such as conventions, trade shows, consumer shows, wedding receptions, large seminars, keynote speakers, and various meal functions.

The existing arena has a seating capacity of 8,750 fixed seats. The facility can seat upwards of 9,275 patrons with the use of additional portable seating. The facility is configured in a U-shape, with a majority of the seating on two sides and at one end. The facility is capable of holding ice events, motor sport events, concerts and most other typical arena events. The arena also has two large locker rooms and three rooms for performers.

The Music Hall has a seating capacity of 2,289 seats and contains five small dressing rooms, two large chorus dressing rooms, and has a meeting room that is 1,500 square feet. This facility hosts events by the Tucson Symphony Orchestra, the Arizona Opera, and Broadway in Tucson, among other events.

The Leo Rich Theatre has a seating capacity of 511 seats. The stage is over 130 feet wide and there are two large chorus dressing rooms in the building. This facility hosts theatre productions and recitals, especially by the Arizona Friends of Chamber Music and Borderlands Theater.

Event Levels

TCC Arena has historically hosted a variety of events. The venue's only current tenant is the University of Arizona's club hockey team, the Ice Cats. The table below illustrates the distribution of performances by event type for the TCC Arena from 1999 to 2003.

TCC Arena
Event Levels 1999 - 2003

Type of Event	2003	2002	2001	2000	1999	Average Events	% of Total
Ice Cats Hockey	18	18	18	18	16	18	21.9%
Concerts	5	6	6	8	9	7	8.5%
Circus	4	12	7	0	12	7	8.7%
Family Ice Shows	8	9	9	7	2	7	8.7%
Family Shows	15	10	7	8	5	9	11.2%
Motorsports	4	4	5	2	2	3	4.2%
Wrestling	1	3	1	1	2	2	2.0%
Boxing	0	0	0	1	1	0	0.5%
Graduations	2	4	4	0	0	2	2.5%
Other Events	1	1	0	0	0	0	0.5%
Other Sporting Events	0	0	2	5	0	1	1.7%
Flat Floor Events	19	21	27	28	n/a	24	29.6%
Total	**77**	**88**	**86**	**78**	**49**	**80**	**100.0%**

Source: Facility management.

Arena Ice Rental	0	0	50	21	n/a	18	22.1%

Note: Excludes event move in/move out days.

As shown, in 2003 the TCC Arena hosted 77 performances or conventions, including 18 hockey games, 15 family shows, and eight family ice shows, among other events. Ice Cats hockey is the University of Arizona's club hockey program.

Over the past four years, event activity at the TCC Arena has ranged from 77 to 88 events, averaging 80 events per year over this time period. In addition, the TCC Arena is used for more than 70 days for move-in and move-out days for performances, graduations, and convention events. As a result, the TCC Arena is utilized upwards of 140 to 160 days each year.

Ice Cats hockey games have accounted for an average of 18 games each year comprising approximately 22 percent of the total event activity annually. Circus events, such as Ringling Brothers Barnum & Bailey and Circus Gatti accounts for seven events annually, and family shows, such as Rugrats, Mariachi Christmas and Sesame Street Live, account for about nine annual performances. Other events that are held on an annual basis at the arena include such events as concerts, family ice shows, motor sports, wrestling, and boxing, among others.

Overall, event activity at the TCC Arena is relatively low compared to arenas operating in other comparable-sized markets. The absence of a full-time minor league tenant, the lack of modern amenities at the arena and utilization of the arena by numerous flat floor shows (including move-in/move-out days) contribute to the lower utilization levels.

There are many events that rent one or more of the exhibit halls, the ballroom, or meeting rooms in addition to the arena. Below is a sampling of events that have been held at the convention center over the past four years that have used both the arena and another portion of the convention center.

Tucson Convention Center Events
Events Utilizing Arena and Convention Center Exhibit Halls

Event	Arena Use Days (1)
Calvary Chapel Religious Conference	2
Christian Congregation of Jehovah's Witnesses Convention	4
Door Christian Fellowship	1
Gem & Mineral Society Show	4
Mariachi Conference	7
NSA Conference	6
Pima Community College Graduation	3
Rolling Thunder Down Home Democracy Tour	1
Salpointe High School Graduation	2
SECME Conference	1
Social Behavioral Science Graduation	1
University of Phoenix Graduation	2
Waste Management Symposium Convention	3
Watch Tower Bible & Tract Society Convention	20
Women of Virtue Conference	2

(1) Events have occurred at least once in the past five years.
Source: Facility management.

As shown above, there are varying types of events that utilize both the arena and portions of the convention center including graduations, conventions, conferences, and public shows. All of the above listed events used at least one of the exhibit halls in addition to the arena. Also listed is the number of days each convention event also used the arena space for their respective functions.

Attendance

The level of attendance attracted to events hosted at the TCC Arena directly impacts revenues generated from the sale of tickets, concessions, merchandise and parking. The table below depicts total paid attendance at the TCC Arena from 1999 to 2003.

TCC Arena
Paid Attendance Levels 1999 - 2003

Type of Event	2003	2002	2001	2000	1999	Average Attendance	% of Total
Ice Cats Hockey	28,319	37,532	34,146	33,902	33,473	33,474	23.3%
Concerts	27,259	26,563	21,934	35,282	28,552	27,918	19.5%
Circus	3,074	31,316	35,273	0	55,513	25,035	17.5%
Family Ice Shows	25,473	27,390	21,879	20,405	8,301	20,690	14.4%
Family Shows	12,748	9,156	6,382	16,897	16,977	12,432	8.7%
Motorsports	15,940	14,809	17,540	1,274	7,541	11,421	8.0%
Wrestling	3,510	18,089	6,907	2,411	14,360	9,055	6.3%
Boxing	0	0	0	228	2,231	492	0.3%
Other Events	5,954	4,824	0	0	0	2,156	1.5%
Other Sporting Events	0	0	1,207	2,482	0	738	0.5%
Total	**122,277**	**169,679**	**145,268**	**112,881**	**166,948**	**143,411**	**100.0%**

Source: Facility management.

As shown, the total paid attendance in 2003 was 122,277, which was a 28 percent decrease in the total attendance from 2002. The decrease was in large part because the Ringling Brothers Barnum & Bailey Circus ("RBBBC") did not perform during 2003. Historically, RBBBC has performed in Tucson every other year. RBBC has indicated that they did not think the market would attend their events as much if the show was in Tucson every year. However, in 2001 RBBBC decided to attempt hosting performances in consecutive years. As shown, the event attracted a total of 35,000 patrons for seven performances, but the following year it decreased to 31,000 although they performed 12 times. It is possible that RBBBC may modify their touring pattern with the development of a new arena.

The average attendance from 1999 to 2003 was 143,411 patrons. The highest year of attendance during this period was 2002 with a total attendance of 169,679. The lowest annual attendance during this period was 2000 with a total attendance of 112,881.

Ice events, including Ice Cats' games and family ice shows, comprised about 44 percent of total attendance during 2003 with attendance levels of 28,319 and 25,473, respectively. Concerts comprised about 22 percent of total attendance in 2003, attracting a total of 27,259 patrons. The remaining events that attracted the most in attendance during 2003 were family shows and motor sports, attracting 12,748 and 15,940, respectively.

The table below shows the average attendance per event, by type of event, from 1999 to 2003 in the TCC Arena.

TCC Arena
Average Paid Attendance 1999 - 2003

Type of Event	Average Perfomances	Average Attendance Per Event	Average Total Attendance
Wrestling	2	5,660	9,055
Concerts	7	4,106	27,918
Motorsports	3	3,359	11,421
Family Ice Shows	7	2,956	20,690
Circus	7	3,576	25,035
Ice Cats Hockey	18	1,902	33,474
Family Shows	9	1,381	12,432
Other Sporting Events	1	527	738
Total	**56**	**2,561**	**143,411**

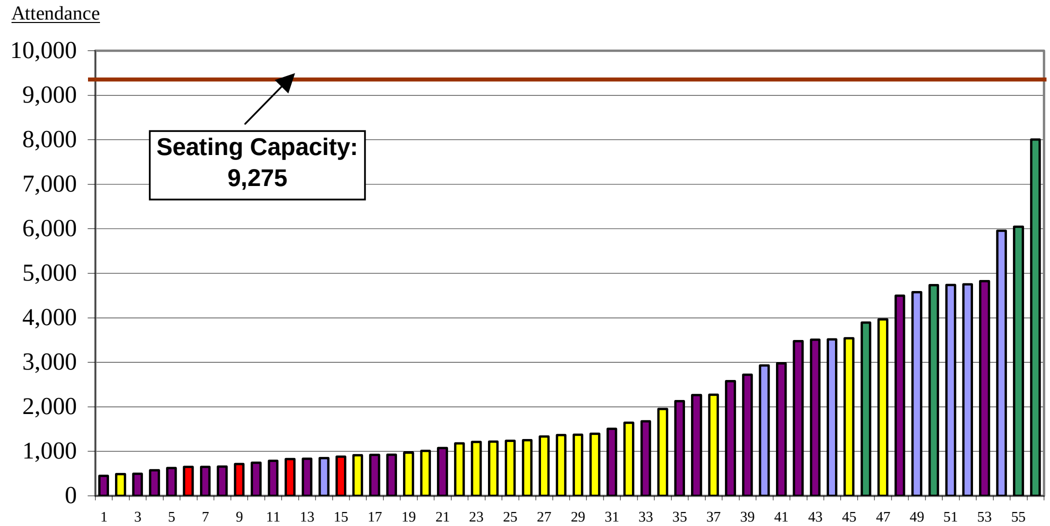
Source: Facility management.

As shown, the overall average paid attendance for events hosted at the TCC Arena over a five-year period was 2,561 per event. Wresting events, mainly WWE, experienced the highest average paid attendance of any event type hosted at the TCC Arena, averaging 5,660 total attendees per event. Concerts averaged 4,106 patrons per event followed by motor sports with 3,359 patrons per event. Ice Cats hockey, with the highest number of events, averaged 1,902 spectators per game.

Seat Occupancy

The TCC Arena has a permanent seating capacity of 8,750 seats. The facility can seat upwards of 9,275 for end stage concerts, which includes 525 portable floor seats. In general, very few events hosted at the TCC Arena require the facility's full capacity of 9,275 seats. The chart on the following page illustrates paid attendance for each event hosted in the arena during 2003. Paid attendance was used as a proxy for turnstile attendance in this analysis as turnstile attendance was unavailable.

TCC Arena
2003 - Event Paid Attendance Levels



Note: Yellow = hockey game
Green = concert
Purple = family show, including ice shows
Blue = other events

Source: Facility management.

As is evident above, concerts generally experience the highest attendance of any type of event hosted at the TCC Arena. Hockey games tend to range from 1,000 to 2,000 paid attendees per game. Family shows have various paid attendance levels that range from below 1,000 to above 4,000 per performance. The table below summarizes seat occupancy trends for events hosted at the arena from 1999 to 2003.

TCC Arena
Paid Attendance Distribution

Paid Attendance	2003	2002	2001	2000	1999
Less than 1,500	53.6%	32.8%	38.2%	42.0%	18.4%
1,501 to 4,000	30.4%	46.9%	30.9%	46.0%	42.9%
4,001 to 6,000	10.7%	12.5%	25.5%	6.0%	22.4%
Over 6,000	5.4%	7.8%	5.5%	6.0%	16.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Facility management.

Circuses, concerts, and WWE wrestling events had the highest seat occupancy per event. Approximately 84 percent of event activity at the TCC Arena during 2003 drew 4,000 or less paid attendees. Only 16 percent of events drew 4,000 or more paid attendees.

Financial Operations

The Tucson Convention Center, which includes multiple facilities, is operated by the City of Tucson. Based on current accounting practices of facility management, the financial operations of the arena cannot be separated from the convention center operations. Therefore, the table below presents a summary of the total revenues, expenses and resulting net income generated by the Tucson Convention Center, including the TCC Arena, during FY03, FY04 and budgeted FY05.

Tucson Convention Center & Arena
Revenues & Expenses - FY03, FY04 and Budgeted FY05

	Budgeted FY05	FY 2004	FY 2003
Operating Revenues:			
TCC Rent	$1,500,000	$988,000	$1,046,000
Parking	650,000	738,000	736,000
Concessions	440,000	445,000	381,000
Facility Fee	750,000	278,000	374,000
Box Office	200,000	200,000	198,000
Commission Revenue	100,000	116,000	99,000
Novelties	80,000	50,000	39,000
Other [1]	100,000	121,030	88,000
Total Operating Revenues	**3,820,000**	**2,936,030**	**2,961,000**
Expenses:			
Salaries & Wages	1,638,000	1,618,000	1,134,000
Maintenance	987,000	886,000	884,000
Electricity	683,000	707,000	678,000
Administration	591,000	582,000	522,000
Other Operation Costs	559,000	539,000	538,000
Event Support	287,000	364,000	290,000
Box Office	392,000	358,000	356,000
Sales and Marketing	332,000	307,000	234,000
Stage	292,000	251,000	368,000
Parking	168,000	175,000	174,000
Gas	151,000	133,000	135,000
Other Utilities	82,000	97,000	90,681
Water	70,000	83,000	72,000
Other Expenses	0	(29,000)	34,000
Total Operating Expenses	**6,232,000**	**6,071,000**	**5,509,681**
Capital Reserve Account Contributions	750,000	238,929	386,725
Net Income/(Loss) from Operations	**($3,162,000)**	**($3,373,899)**	**($2,935,406)**

[1] Other includes non-tax lease, rental/lease, charge services, credit card NSF, and refunds.

Source: Facility management.

As shown in the chart on the previous page, total operating revenues generated during FY04 were $2.9 million and consisted of rent, box office, parking, concessions, novelty sales, and facility fees, among other revenues. The facility fee revenue is income that is generated from a ticket surcharge that is applied to all tickets sold at the TCC Arena, Music Hall and ticketed events at the Tucson Convention Center building. The fee is $0.75 for any ticket with a value of $17.00 or less and $1.00 for any ticket in excess of $17.00. The revenue generated from the ticket tax is dedicated to a capital repairs and replacement account. In addition, 25 percent of any parking revenue generated in excess of $500,000 also is earmarked for the capital repairs and replacement account.

Total operating expenses in FY04 were about $6.1 million, consisting of expenditures for salaries, maintenance, utilities, administration, sales and marketing, operations, and box office, among others. The net loss from operations for FY04 amounted to $3.4 million and is budgeted at approximately $3.2 million for FY05. Overall, the revenues, expenses and net loss from operations were consistent from FY03 to FY05.

Summary of Lease Agreements

The Tucson Arena hosts several events that recur on an annual basis and are important to the overall utilization and financial operating results of the TCC Arena. Large, recurring events include Ice Cats hockey, Mariachi conferences, and Jehovah's Witnesses. The following is an overview of the major lease terms associated with these events.

Ice Cats Hockey

The Ice Cats lease TC Arena at a rental fee of $2,225 per game day. As a part of this agreement, the Ice Cats retain all commissions for game day advertising on dasher boards and game programs. The Ice Cats are allowed two advertising spots in the ice and non-permanent advertising on the zamboni during their games. The day of game advertising must be removed after each game.

The Ice Cats pay three percent of the gross receipts after deduction of taxes if it amounts to higher than the per day rental fee of $2,225. The team must also pay $200 for each practice session on the arena ice outside of game days. The Ice Cats must have insurance for their events covering a minimum combined single limit of $1 million, for public liability and property damage, and including fire damage liability of $50,000.

In addition to rental fees and/or a percentage of gross receipts, the Ice Cats are responsible for paying arena charges of $0.15 for printing each ticket and three percent of all credit card transactions occurring at the convention center ticket office.

Mariachi Conferences

The Mariachi Conference uses all Tucson Convention Center facilities for its events including the exhibit halls, arena, ballrooms, meeting rooms, music hall, Leo Rich Theater, and the Grand Lobby. The event is required to pay a rental fee of $19,000, of which half is due at the acceptance of the lease permit and the second half before the event occurs. The event is not required to pay any percentage of gross receipts to the facility.

The event is required to have a certificate of commercial, general, and excess liability insurance with a minimum combined single limit of $1 million including fire damage legal liability of $50,000.

Jehovah's Witnesses

The Christian Congregation of Jehovah's Witnesses Convention uses the arena, the north exhibit hall, meeting rooms, and parking lots for their event. The convention usually occurs over a three day period running Friday through Saturday, with Thursday used as a move-in day. The convention meets on these days for four weekends during the summer.

This convention is required to pay a rental fee of $18,000 for a total of 16 days of use over the four weekends. Included in the sixteen days are four days when the arena and the north exhibit hall are used and the meeting rooms are used for the remaining twelve days. A rental fee of $1,800 is due upon signing of the permit as a deposit and the remaining $16,200 is due on the first day of use. The convention is also required to have an insurance policy for the event.

Past Tenants

The TCC Arena currently does not have a full-time minor league sports tenant in the arena. In the past, the TCC Arena has been host to franchises in various hockey leagues, but none of which have played in the facility for longer than two seasons. Below is a summary of the minor league hockey teams that have played in the TCC Arena.

Tucson Mavericks

The Tucson Mavericks were a member of the Central Hockey League ("CHL"). The team played in the TCC Arena for one season, 1975-76, and folded at the end of the season. The team had a record of 14 wins, 53 losses, and nine ties during that single season. The previous owners of the Tucson Toros baseball team started the franchise.

Tucson Icemen

The Tucson Icemen were a member of the Southwest Hockey League ("SWHL"). The team played in the TCC Arena for a single season, 1976-77.

Tucson Rustlers

The Tucson Rustlers team was a member of the Professional Hockey League ("PHL"). The team played in the TCC Arena for a single season, 1978-79.

Tucson Gila Monsters

The Tucson Gila Monsters were a member of the West Coast Hockey League ("WCHL"). The team played in the TCC Arena for two seasons, 1997-98 and for 1998-99 until they folded during their second season. The team folded because of low attendance levels and financial problems, and team management was unable to renegotiate a lease with the City of Tucson for continued use of the TCC Arena. When team management realized that they could not renegotiate the lease, the team folded to prevent further financial losses. During the 1997-98 season, the team had an average game attendance of 1,136 spectators, well below the WCHL league average of 3,663. At the same time, the University of Arizona's club team, Ice Cats, averaged 2,325 people per game at the TCC Arena.

Tucson Scorch

The Tucson Scorch team was scheduled to be a part of the Western Professional Hockey League ("WPHL"). The team was scheduled to begin play in the TCC Arena for the 1999-2000 season, but the league cancelled the team only hours before the season began because the team did not meet the WPHL's licensing agreement in regards to selling sufficient season tickets and corporate sponsorships, as well as not having the financial stability to support the obligations of team payroll. The team also failed to provide insurance and other guarantees to the City of Tucson. The team was owned by Joe Milano, who had also experienced a failed franchise the previous season with the Waco Wizards of the WPHL. Since the Scorch folded, Mr. Milano has started and closed a UHL team in Columbus, Ohio, the Columbus Stars, within its first season of operations.

Summary

The historical operations for the existing TCC Arena were analyzed to provide a contextual for which to measure the market potential and incremental benefits that could be generated by a new arena. Key findings detailed in this section included:

- The TCC Arena has averaged approximately 80 performances over the past five years, with a high of 88 performances in 2002. The most frequently hosted events included Ice Cats hockey games, family shows, concerts, ice shows, circus acts, and rental of the arena for youth hockey games. In addition, there are about 70 move-in/move-out days for events held at the arena each year, resulting in a total of approximately 140 to 160 annual use days over the past five years.

- There are numerous convention events that utilize the arena for use during their events. Some of these events have included the Christian Congregation of Jehovah's Witnesses Convention, the Gem & Mineral Society Show, and the Watch Tower Bible & Tract Society Convention, among others.

- The annual paid attendance at the TCC Arena has averaged about 143,000 patrons over the past five years, with a high of 169,679 in 2002 and a low of 112,881 in 2000. The type of events that have attracted the largest number of paid attendees on an annual basis have been Ice Cats hockey games, concerts and circus acts.

- The events that attract the largest number of paid attendees per performance have been wrestling, mainly performances by the WWE, with an average paid attendance of 5,660 patrons per event. Concerts have an average attendance of

4,106 patrons per event, followed by motor sport events with an average paid attendance of 3,359 patrons per event.

- Over 60 percent of events hosted at the TCC Arena have paid attendance levels of 4,000 and below. The TCC Arena rarely hosts an event that utilizes the full capacity of the arena.

- For each of the past two fiscal years, the Tucson Convention Center and Arena has generated over $2.9 million annually in total operating revenues, while incurring operating expenses of over $5.5 million annually, resulting in an annual net loss from operations of over $2.5 million, including contributions to a capital reserve account. The main sources of revenues have been rent for use of the TCC facilities, parking, and concessions. The most costly expenses have been salaries and wages of employees of the TCC, maintenance costs, electricity, and administration.

- The TCC Arena has hosted four minor league hockey teams in the past, with three occurring for only a single season during the 1970s and one lasting for nearly two years from 1997-99. In addition, the venue was scheduled to host a minor league hockey team beginning in 1999, but the franchise withdrew before the beginning of the 1999-2000 season.

- Major factors for the failure of the two most recent minor league hockey franchises in Tucson have included low ticket sales, financial problems, and issues with team management, including not being able to renegotiate a lease with the City of Tucson and not meeting league requirements. It is unlikely that the failures are a direct reflection of the market's ability to support a team, but rather the team's ownership experience and capabilities.

- A key component for the establishment of a minor league sports franchise and its success is a strong ownership team that is committed to the team, willing to exert a strong effort in marketing the team to the local market, is able to establish advertising and sponsorships from local corporations and individuals, and is able to work well with the league directors on meeting the requirements for maintaining a minor league franchise.

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

IV. Comparable Facilities

The purpose of this section is to present an overview of selected comparable facilities to provide a benchmark from which to assess the current and potential operations of a new multi-purpose arena in Tucson. The arenas reviewed in this section were selected based on one or more of the following factors: market size, geographic location, seating capacity, year opened, and /or event focus.

The table below presents a summary of the 13 facilities that were identified to provide a benchmark for potential operations of a new arena in Tucson.

Comparable Facilities

Facility	Location	Market Population	Tenant(s)[1]	Year Opened	Seating Capacity
Ford Center	Oklahoma City, OK	1,140,300	CHL	2002	20,800
Jacksonville Veterans Memorial Arena	Jacksonville, FL	1,121,800	WHA2	2003	16,000
Save Mart Center	Fresno, CA	853,700	ECHL, University	2003	16,500
Pepsi Arena	Albany, NY	841,500	af2, AHL, University	1990	17,500
Van Andel Arena	Grand Rapids, MI	768,300	AHL, AFL	1996	12,500
Alltel Arena	North Little Rock, AR	632,300	af2, University	1999	18,000
Dodge Arena	Hidalgo, TX	624,100	ECHL	2003	6,800
Bi-Lo Center	Greenville, SC	585,300	ECHL, NIFL	1998	16,000
American Bank Center	Corpus Christi, TX	409,400	CHL, University	2004	10,500
Verizon Wireless Arena	Manchester, NH	398,500	af2, AHL	2001	11,770
CenturyTel Center	Shreveport, LA	380,000	af2, CHL	2000	12,500
Budweiser Events Center	Loveland, CO	269,200	CHL	2003	7,200
Laredo Entertainment Center	Laredo, TX	217,900	af2, CHL	2002	9,622
Average		**634,100**		**2000**	**13,515**

[1] The following are sports league tenants at the above facilities, where listed:

af2: Arena Football 2
AFL: Arena Football League
AHL: American Hockey League
CHL: Central Hockey League
ECHL: 'AA' Hockey League
NIFL: National Indoor Football League
University: University teams (I.e. basketball, volleyball, hockey)
WHA2: World Hockey Association 2

Source: CSL Research

As shown, several markets with populations ranging from approximately 217,900 in Laredo, Texas to approximately 1.1 million in of Jacksonville, Florida host comparable venues with one or two minor league tenants and, in some cases, a university tenant. The average maximum capacity of the comparable facilities is approximately 13,500, with the majority of the venues built within the past five years. Through research of CSL's database, information received from various publications, and discussions with facility management, information was gathered on the comparable arenas including physical characteristics, tenant and non-tenant event levels, ownership and management, premium seating, and other operational characteristics.

Jacksonville Veterans Memorial Arena

Jacksonville Veterans Memorial Arena is located in Jacksonville, Florida and opened in November 2003. The $130 million arena replaced the former Jacksonville Veterans Memorial Coliseum. The facility seats up to 16,000, which is nearly twice the capacity of the former Coliseum. The World Hockey Association 2 (WHA2) Jacksonville Barracudas serves as the arena's only tenant. The arena is owned by the City of Jacksonville and operated by SMG, a private management company.

The old Veterans Memorial Coliseum was built in 1959 and lacked many of the features and amenities found in modern arenas. In 2000, Jacksonville voters approved the Better Jacksonville Plan, which utilized a half-cent sales tax increase to support approximately $2.2 billion in total spending, including the $130 million arena as part of a downtown initiative similar to the Rio Nuevo Project.

According to facility management, the arena hosted less than 100 events in its first year of operations, which included hockey games, concerts, family shows, graduations, and religious events, among others.

The arena's premium seating amenities include 28 annually-leased suites, eight suites leased on an event-by-event basis, 94 terrace seats and 1,100 club seats. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Jacksonville Veterans Memorial Arena
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	28	$50,000	100%	$201,600 [1]	$1,198,400
Private Suites - event by event	8	$500 to $1,000	n/a	n/a	n/a
Terrace Seats	94	$3,000	n/a	n/a	$282,000
Club Seats	1,100	$300	100%	$0	$330,000
Total Premium Seating Revenue					$1,810,400

[1] Suites include all tickets and non-tenant tickets are not listed in seating manifest with concert promoters

The arena incorporates 28 single suites, plus eight flexible corner suites which can open-up into four party suites, one large "party deck" known as the St. John's Suite Level that offers 94 barstool seats positioned at a drink rail as well as 1,100 club seats. The private suites include 12 seats plus four barstools averaging $50,000 annually, which are offered on one-, three-, and five-year lease term, including tickets to all arena events. The executive suites are located 24 rows above the event floor. Direct access to the suite level is available through a private entrance. The suites are fully furnished with comfortable seating, a color television, refrigerator, storage cabinets and more. Other amenities include VIP parking, personal concierge service, in-suite catering and access to private bar and dining. The event day suites, which are not sold with an annual agreement, are sold as event day suites for $500 for hockey and family shows and $1,000 for concerts plus the price of the event tickets.

The St. John's Suite Level barstool seats average $3,000 per seat, which includes one ticket per seat to all events. The arena also has 1,100 club seats, which are sold on one-, three-, and five-year lease terms for a seat license fee of $300 per seat. Club seat holders are required to buy hockey event tickets and are given the first right to purchase tickets to all events.

Van Andel Arena

Located in downtown Grand Rapids, Michigan, Van Andel Arena opened in 1996. The arena has a U-shape seating configuration that features flexible seating capacities of 10,834 permanent seats for hockey and upwards of 12,500 for center stage concerts. The 285,000 square foot multi-purpose arena is home of the AHL's Grand Rapids Griffins and the AFL's Grand Rapids Rampage. A third tenant, the CBA Grand Rapids Hoops, played in the arena until the league went defunct in 2000. Van Andel Arena is owned by the Kent County-Grand Rapids Convention-Arena Authority and managed by SMG.

According to facility management, the arena held over 100 events in the past year and had an annual total attendance of over 750,000 spectators. The venue held numerous events in addition to tenant events, including concerts, family shows, ice show performances, motor sport events, wrestling, rodeos, trade shows and other events such as the NCAA Hockey Regional Finals and the AFL Arena Bowl XV game. The venue operates at a profit and consistently ranks as one of the best performing mid-sized arenas in the country.

Premium seating amenities incorporated into Van Andel Arena include 42 suites and 1,800 club seats. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Van Andel Arena
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	42	$30,000	100%	$0 (1)	$1,260,000
Club Seats	1,800	$550	98%	$0 (1)	$970,200
Total Premium Seating Revenue					$2,230,200

(1) No tickets included

The arena incorporates 42 annual private suites with seating capacities ranging from 16 to 20 seats. The suites can be leased on a three-, five- or seven-year basis at an annual average price of $30,000, which does not include event tickets. Suite amenities include parking passes, a private entrance and occasional suite holder parties and events. The arena also includes 1,800 club seats, of which 900 are operated by the building management and leased through a personal seat license system for $600 per year on a three-, five- or seven-year basis plus the cost of event tickets. Approximately 200 club seats are controlled by the Rampage and leased through a personal seat license for $500 per year plus a required season ticket purchase averaging $300. The remaining 700 club seats are controlled by the Griffins and leased through a personal seat license for $500 per year plus a required season ticket purchase averaging $860.

According to local representatives, Van Andel Arena has been instrumental in facilitating the revitalization of downtown Grand Rapids, particularly in the area of the Cherry Street entertainment district.

Ford Center

The Ford Center opened in June 2002 and is located in downtown Oklahoma City adjacent to the Cox Business Services Convention Center. The arena features flexible seating capacities of 18,178 for hockey, 19,675 for basketball and approximately 20,800 for center stage concerts. The 586,000 square foot facility features four seating levels and a press level. While the Center was designed, particularly the seating capacity, with the ability to accommodate an NBA or NHL team in the future, its two current tenant franchises are the Central Hockey League (CHL) Oklahoma City Blazers and Arena Football 2 (AF2) Oklahoma City Yard Dawgz. The city-owned facility is operated by SMG.

Oklahoma City voters approved the MAPS Program in 1993. The MAPS Program imposed a citywide, one-cent sales tax over a 66-month period to finance convention, cultural and sporting facilities, including the new Ford Center. The sales tax portion of the MAPS program generated approximately $88.7 million, funding the arena's development cost. The Ford Center generates $8.1 million over 15 years through a naming rights deal with the Oklahoma Ford Dealers which goes directly back to the City of Oklahoma reserve fund, which funds the MAPS Program.

The facility has hosted fewer than 100 events in a recent year with an annual attendance level of approximately 550,000 patrons. Events hosted included tenant events, concerts, family shows, rodeo events, and professional exhibition games. The facility generated an operating surplus in its most recent year of operation.

Premium seating amenities incorporated into the Ford Center include 56 private suites of which 8 are party suites and 3,300 club seats. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Ford Center
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	48	$28,000	90%	$345,600 (1)	$864,000
Party Suites	8	n/a	n/a	n/a	n/a
Club Seats	3,300	$800	100%	$1,980,000 (1)	$660,000
Total Premium Seating Revenue					$1,524,000

(1) Includes tickets to hockey tenant only

The Ford Center incorporates a total of 56 suites, which consist of eight party suites, leased on an event-by-event basis, and 48 private suites leased on one-, three- and five-year contract terms. The private suites have seating for eight-, 12- or 14-seats and range in price from $21,000 to $35,000, depending on the location of the suite, the suite's capacity and the lease term agreement. Suite prices include tickets to all Blazers hockey games and the first right to purchase tickets for other events. In addition, the Center incorporates approximately 3,300 club seats, priced between $760 and $825 per year, depending on the lease term. Club seat prices include tickets to all Blazers games, with the first right to purchase tickets to other events.

The Ford Center, along with the development of the 13,066-seat SBC Bricktown Ballpark, has contributed significantly to the revitalization of the southern portion of downtown Oklahoma City.

Bi-Lo Center

Located in downtown Greenville, South Carolina, the Bi-Lo Center opened in 1998 and has a maximum capacity of 16,000 seats. The facility has two sports tenants, the 'AA' Hockey League (ECHL) Greenville Grrrowl and the National Indoor Football League (NIFL) Greenville RiverHawks. In the past, the facility hosted the af2 Carolina Rhinos and the NBDL Greenville Groove. The arena is owned by the Greenville Memorial Auditorium Tax District and is privately managed by Centerplate.

The Bi-Lo Center was built for a total cost of $63 million. Approximately 55 percent of the total project costs were funded through a five percent hotel tax ($20 million), local property tax revenues ($12 million) and a state grant ($2.5 million). The remaining 45 percent was supported through $24 million in Certificates of Participation issued by the Greenville Memorial Auditorium District Public Facilities Corporation, as well as rental payments and other private contributions, which totaled approximately $4.5 million of the development cost.

The Bi-Lo Center hosts well over 100 events annually. Non-tenant events include concerts, family shows, motor sport events, graduations, religious events, and other sporting events.

Premium seating amenities incorporated into the Bi-Lo Center include 30 private suites and 1,000 club seats. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Bi-Lo Center
Premium Seating

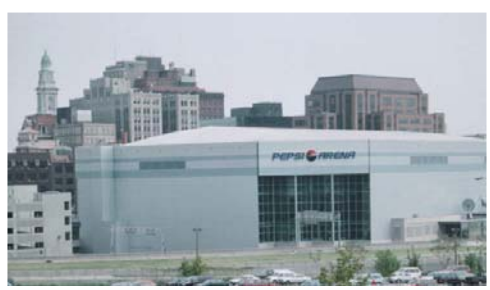
	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	30	$47,000	100%	$216,000 (1)	$1,194,000
Club Seats	1,000	$1,650	75%	$600,000 (2)	$637,500
Total Premium Seating Revenue					$1,831,500

(1) Tickets to all events are included
(2) Tickets to all tenant events are included

Bi-Lo Center incorporates 30 private suites located on the concourse level, of which 24 suites seat up to 12 people and lease for a price of approximately $45,000 per year. The remaining six suites have a capacity of 16 seats, and lease for approximately $55,000 annually. Suites can be leased for five- or seven-year terms. The lease price includes tickets to all tenant sporting events held at the Center as well as first option to purchase tickets to public events. The suites are appointed with the following amenities: two televisions, wet bar, refrigerator, private bathrooms, telephones, closets, balcony viewing areas and up to five VIP parking passes.

In addition to suites, the Center also offers over 1,000 cushioned club seats in sections 112 to 115. The cost is $1,650 annually per seat, which includes season tickets to all Grrrowl and RiverHawks events, with the first option to purchase tickets to other arena events. The seats are leased for three- or five-years. Amenities include membership to the VIP Club Lounge, VIP parking passes and in-seat service for hockey games.

Pepsi Arena



Located in Albany, New York, Pepsi Arena opened in 1990 and has an adaptable seating capacity of between 6,000 and 17,500 seats. The multi-purpose arena recently became the full-time home of Siena College Saints' men's basketball team. The Saints have played portions of their home schedule at the arena since the 1990-91 season when it was called Knickerbocker Arena. The Siena College women's basketball team also plays several home games at the arena each year. The arena is also home to the AHL River Rats and the af2 Albany Conquest. The arena is owned by Albany County and operated by SMG.

Other than tenant games, the venue hosts numerous other events such as concerts, family shows and other sporting events. Additional events hosted include motor cross and monster truck events with the venue averaging over 100 events and over 700,000 attendees annually. In the past few years, the venue hosted the NCAA National Championship in hockey (Frozen Four), wrestling, the Eastern Regional in basketball (Sweet Sixteen) and hockey, as well as the MAAC basketball championship and the ECAC hockey championships. The arena was also the former home of the NLL Albany Attack which was sold in 2003 and moved to the HP Pavilion in San Jose. The arena also lost its AFL team, the Firebirds, when the franchise moved to Indianapolis prior to the 2001 season. Soon thereafter, the team was replaced with an af2 expansion team, the Albany Conquest, in 2002.

Premium seating amenities incorporated into the Pepsi Arena include 25 private suites. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Pepsi Arena
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	25	$48,000	100%	$384,000 (1)	$816,000
Club Seats	0	$0	n/a	$0	n/a
Total Premium Seating Revenue					$816,000

(1) Tickets to all events are included

There are 25 luxury suites inside the arena, each consisting of 16 seats, cable television, private bathroom, and private refrigerator. Suites are located at the top of the lower bowl of the arena and are rented on three-year leases. The average annual price of a luxury suite is $48,000. The venue does not offer club seating. In the past, the River Rats offered 140 premium club seats; however, club seat sales struggled due to a lack of public interest in premium seats because there were available general admission seats with the same sight lines as well as relationship issues with the venue's concessionaire. The Pepsi Company purchased naming rights for the arena for $3 million over 10 years, which expires in 2007. Albany County has recently approved a sports bar and club development, which will seat approximately 200 people with a required membership allowing them access to upscale food and beverage services similar to what is offered to suite holders, among other amenities.

Save Mart Center

Located in Fresno, California, the Save Mart Center opened in 2003 and has a seating capacity of 16,500 seats. The multi-purpose arena is located on the California State University – Fresno campus (Fresno State University) and is home to the Fresno State men's and women's basketball teams, as well as a minor league hockey team from the ECHL, the Fresno Falcons. The $87 million arena, is owned by Fresno State University and operated by SMG.

In addition to tenant games, the arena hosts other events throughout the year such as concerts, family shows, other university events including graduations, and other sporting events. In the past year, the Save Mart Center also hosted the 2004 Western Athletic Conference men's and women's basketball tournament. The venue held over 100 events and experienced an operating loss in its first full year of operations.

The premium seating amenities incorporated into the Save Mart Center include 32 private suites and 1,080 club seats. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Save Mart Center
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	32	$55,000	100%	$409,600 (2)	$1,350,400
Arena Builders' Seats (1)	1,080	$1,500 (3)	100%	$0	n/a
Total Premium Seating Revenue					$1,350,400

(1) Seats are purchased with a one-time premium seat license fee; is not an annual fee.
(2) Suites include all tenant hockey tickets and non-tenant tickets are not listed in seating manifest
(3) Builder's Seats leased for $15,000 for a 10 year term, paid upfront. Tickets are not included and if the seat owner does not purchase season tickets for men's basketball for two years in a row the seat license is revoked.

There are 32 private suites inside the arena, each consisting of 14 seats, cable television and a private refrigerator. Suites are rented on 10-year terms. The average annual price of a private suite is $55,000. The arena also includes 1,080 arena builders' seats. The arena builders' seats are located courtside and the sections on the sidelines. The arena builders' seats are purchased with premium seat licenses at $25,000 each. The purchaser of each arena builders' seat has first right of refusal for all events and contains the license for that seat on a long-term basis. The arena also includes two club restaurants, a 350-seat lecture hall, and an annex for athletic department offices. Save Mart Supermarkets purchased the naming rights of the arena for $40 million over 20 years.

Alltel Arena

Located in North Little Rock, Arkansas, Alltel Arena opened in 1999 and has a seating capacity of 18,000 seats. The multi-purpose arena is home to the University of Arkansas – Little Rock men's basketball team. However, UALR men's basketball team will move to a new campus arena at the beginning of the 2005/06 season. The venue also serves as the home venue to the af2 Arkansas Twisters. The arena was home to the ECHL's Arkansas Riverblades through the 2002/03 season. Alltel Arena is owned by Pulaski County and is operated by SMG.

A large number of the events held at Alltel Arena are tenant games, but numerous other events are held at the venue throughout the year. Some of these events include concerts, family shows, and other sporting events. The facility held less than 100 events during the past year and drew over 350,000 patrons. In the recent fiscal year, the arena operated at a profit.

The premium seating amenities incorporated into Alltel Arena include 32 private suites. The following table outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Alltel Arena
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	32	$27,400 (1)	100%	$0 (2)	$876,800
Club Seats	0	$0	100%	$0	$0
Total Premium Seating Revenue					$876,800

(1) Estimated. Suites monies were received upfront and applied to project financing.
(2) No tickets are included

There are 32 luxury suites inside the arena, with seating ranging from 14 to 18 seats. To assist in paying for the construction cost of the facility when it was built, the arena sold the suites at a large up-front cost with a long-term lease. The leasing price of the suites sold at $1 million for four suites with a 20-year term, $500,000 for four suites with a 20-year term, $375,000 for four suites with a 10-year term, and $175,000 for twenty suites with an 8-year term. Though the entire amount was received at the beginning of the lease term during the first year of operations, the estimated amount received on an annual basis is $27,400. All of the suites were leased when the venue began operating. Alltel Corporation purchased naming rights for the venue at a cost of $7 million.

The facility has 2,000 premium seats, considered the "Save Your" seating, that do not have an annual fee, but require an up-front premium seat license of $2,000 over a term of ten years. In addition, seat purchasers are required to donate $150 annually to the University of Arkansas – Little Rock's Athletic Foundation. Seat purchasers have the first right of refusal to purchase tickets to events in the premium seating sections, which are the sections in the lower bowl at center court on both sides of the court.

CenturyTel Center

Located in Bossier City, Louisiana, the CenturyTel Center opened in 2000 and has a seating capacity of 12,500 seats. The venue is home to the Bossier-Shreveport Mudbugs of the CHL and the Bossier City Battle Wings of af2. The arena is owned by the City of Bossier and is managed by SMG. CenturyTel, Inc. purchased naming rights for the arena at a cost of $5 million over 10 years.

Throughout the past year, the arena has hosted numerous tenant events, concerts, and family shows. The tenant events consisted of the home games of the Mudbugs hockey and Battle Wings arena football teams. Concerts consisted of groups in the genre of rock as well as country & western, among others. Family shows consisted of performances by Sesame Street Live, Lippizaner Stallions, and rodeos, among others. In a recent year, the facility hosted slightly less than 100 events and drew nearly 290,000 attendees. The facility operated at a profit.

The premium seating amenities incorporated into the CenturyTel Center include 16 private suites and 186 club seats. The table below outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

CenturyTel Center
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Ticket Fees	Potential Annual Revenue
Private Suites	16	$45,000	100%	$138,240 [2]	$581,760
Club Seats	186	$1,875 [1]	100%	$133,920 [2]	$214,830
Total Premium Seating Revenue					$796,590

[1] Club seats sell at an average game price of $25; annual revenues are estimated.
[2] Tickets to all events are included, but are listed in the seating manifest with promoters.

There are 16 private suites inside the arena, each consisting of 12 seats and lease for a three-year period. The average annual price of a suite is $45,000. Each of the club seats are sold on a game-by-game basis at an average of $25 per event. With the premium seating combination of private suites and club seats, the CenturyTel Center has an opportunity to generate approximately $797,000 in annual premium seating revenue.

Verizon Wireless Arena

Located in Manchester, New Hampshire, the $70 million Verizon Wireless Arena opened in 2001 and has a maximum seating capacity of 11,770 seats. The facility hosts two tenant sports franchises, the Manchester Monarchs of the American Hockey League and the Manchester Wolves of af2. The arena is owned by the City of Manchester and is managed by SMG. Verizon Wireless Company purchased naming rights for the venue at a cost of $11.4 million over 15 years.

This venue not only hosts two minor league sports tenants, but it also holds numerous other sporting events, concerts, and family shows. Some of the events that have been held in the past include games by the University of New Hampshire hockey team, circus performances, and concerts such as Elton John and Bon Jovi. In its most recent fiscal year, the venue operated at a profit and hosted over 100 events and drew over 700,000 patrons.

Premium seating amenities incorporated into the Verizon Wireless Arena include 34 private suites and 600 club seats. The table on the following page outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Verizon Wireless Arena
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Ticket Fees	Potential Annual Revenue
Private Suites	34	$37,500	100%	$1,060,800 [1]	$214,200
Club Seats	600	$1,600	100%	$480,000 [2]	$480,000
Total Premium Seating Revenue					$694,200

[1] Tickets to all events are included and are not listed in the seating manifest with promoters.
[2] Tickets to tenant events are included

The suites available at Verizon Wireless Arena seat up to 12 people and lease for an approximate annual price of $37,500. The lease terms can be any length between five and ten years. The suites are located on the two long sides of the arena and are at the top of the lower bowl. Included in the price of the suites are tickets to all Manchester Monarchs home games, tickets to all qualified concerts and other events, and three VIP parking passes. The club seats at the arena lease for $1,600 on an annual basis and are located in the lower bowl in the center of the two main sides. Club seat ticket holders receive tickets to all hockey games, in-seat food and beverage service, and access to the Sam Adams Lounge.

American Bank Center

Located in Corpus Christi, Texas, the $49.6 million American Bank Center opened in the fall of 2004. The venue has a seating capacity of 10,500 seats of which about 8,200 are fixed seats. The facility hosts the Corpus Christi Rayz of the CHL and is also home court for the men's and women's basketball teams from Texas A&M University – Corpus Christi. The arena is owned by the City of Corpus Christi and is privately managed by SMG.

The venue was built adjacent to the current Corpus Christi Convention Center, which also recently added two large ballrooms to bring its total available space to about 180,000 square feet.

In addition to hockey and basketball games, the American Bank Center will host various concerts, family shows, motor sport events, other events, and will also be used as a part of large conventions and trade shows. Events currently scheduled include concerts by

Cher, Clint Black, and Amy Grant, as well as Grease theatrical performances, symphony concerts, Harlem Globetrotters, and ice shows.

Premium seating amenities incorporated into American Bank Center include 11 private suites and 302 club seats. The table below outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

American Bank Center
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Ticket Fees	Potential Annual Revenue
Private Suites	11	$24,000	93%	$79,200 (1)	$166,320
Club Seats	302	$2,000	90%	$181,200 (1)	$362,400
Total Premium Seating Revenue					$528,720

(1) Tickets to tenant events are included

The 11 private suites in the venue lease for an annual fee of approximately $24,000. The suites have 10 to 14 over-sized, theater-style cushioned seats. The suite holders have access to a VIP lounge and restaurant, a buffet area in the suite, an upscale menu of food and beverage catering, private suite concourse restrooms, and tickets to all events. The club seats sell for an annual fee of $2,000 and include season tickets to the Corpus Christi Rayz and the men/women Islanders basketball games.

Laredo Entertainment Center

Located in Laredo, Texas, the $36.5 million Laredo Entertainment Center ("LEC") opened in 2002 and has a capacity of 9,622 seats, which about 8,600 seats are fixed seats. The LEC has two tenants, including the Laredo Bucks of the CHL and the Laredo Law of af2. The arena is owned by the City of Laredo and is managed by SMG.

Besides hockey and arena football games, the LEC is host to numerous other events including ice shows, concerts, family shows, and other events. For the upcoming year, the venue is planned to have events such as WWE wrestling, Sesame Street Live, the Broadway show "Cats", performances by Yanni, Harlem Globetrotters, Taste of Laredo, and the 2005 CHL All-Star Game. Located near the Mexico border, the arena draws attendance from both the United States and Mexico. In a recent year, the venue operated at a profit and hosted well over 100 events, drawing over 500,000 patrons.

Premium seating incorporated into the LEC includes 14 private suites that have seating for approximately 14 people. The suites lease at an annual rate ranging from $45,000 to $55,000. The table below outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Laredo Entertainment Center
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	14	$50,700	80%	$134,400 (1)	$433,440
Club Seats	0	n/a	n/a	n/a	n/a
Total Premium Seating Revenue					$433,440

(1) Suites include all tickets and non-tenant tickets are not listed in seating manifest with concert promoters

Budweiser Events Center

Located in Loveland, Colorado, the Budweiser Events Center opened in 2003 and has a seating capacity of 7,200 seats. The venue is a part of "The Ranch", which is the name of the entire Larimer County Fairgrounds and Events Complex. Besides the Budweiser Events Center, The Ranch contains other facilities including an exhibition hall, an indoor rodeo arena, and two livestock pavilions. The arena has two tenants including the Colorado Eagles of the CHL and the Colorado Chill of the National Women's Basketball League. The arena is owned by Larimer County and is managed by Global Spectrum.

In addition to tenant events, the Budweiser Events Center hosts various other events throughout the year including concerts, Harlem Globetrotters, a preseason Colorado Mammoth game of the Indoor Lacrosse League, and World Championship Ice Racing events, among other events.

Premium seating incorporated into the Budweiser Events Center includes 24 private suites and 500 club seats. The table below outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Budweiser Events Center
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Tenant Ticket Revenue	Potential Annual Revenue
Private Suites	24	$41,000	100%	$253,440 [1]	$730,560
Club Seats	500	$990	100%	$440,000 [2]	$55,000
Total Premium Seating Revenue					$785,560

[1] Suites include all events and non-tenant tickets are not listed in seating manifest with concert promoters
[2] Tickets to tenant events are included

The 24 luxury suites lease at an average annual fee of $41,000 with lease terms ranging from three to seven years. The suites contain between 10 to 12 seats and include tickets to all regular season home games of tenant teams as well as to all other events. Suites include amenities such as in-suite catering service, sink, refrigerator, theater seating, and access to private telephone service. The 500 club seats lease at an average annual fee of $990 and include regular season tickets to the Colorado Eagles hockey games. Club seat holders have padded seats, access to a club lounge, in-seat wait service, and the first right of refusal of tickets to other events.

Dodge Arena

Located in Hidalgo, Texas, Dodge Arena opened in 2003 and has a seating capacity of 6,800 seats. The arena has two tenants, including the Rio Grande Valley Killer Bees of the Central Hockey League and the Rio Grande Valley Dorados of af2. The arena is owned by the City of Hidalgo and is managed by Global Spectrum.

In addition to tenant events, the $20 million venue is host to numerous other events throughout the year including, but not limited to boxing, WWE wrestling, Harlem Globetrotters, International Fighting Championships, the Al Amin Shrine Circus, concerts such as Cher and Alan Jackson, Sesame Street Live, and monster truck racing. In addition to attracting patrons from Hidalgo, the arena is located in an area where it attracts patrons from the entire Rio Grande Valley, as well as patrons from Mexico, including from large cities like Reynosa and Monterrey.

Premium seating available at the Dodge Arena includes 25 private suites and 508 club seats. The table below outlines the premium seating inventory, average annual fee, percentage of premium seating that is leased, ticket costs for premium seating and potential annual revenues.

Dodge Arena
Premium Seating

	Inventory	Average Annual Fee	Percent Leased	Ticket Fees	Potential Annual Revenue
Private Suites	25	$25,000	100%	$210,000 [1]	$415,000
Club Seats	508	$900	100%	$355,600 [1]	$101,600
Total Premium Seating Revenue					$516,600

[1] Tickets to tenant events are included

Private suites lease at an average annual price of $25,000 and include seating between 10 and 18 seats. Included with the price of the suites are tickets to all arena events. The suites have a catering service and private restrooms outside of the suite. The club seats lease at an average annual fee of $900 and include tickets to hockey games. The club seat holders have the first right of refusal to buy tickets to all other events. The club seats are located in lower sections at midfield/court.

Summary

In total, 13 areas that have recently been built were analyzed to provide a benchmark from which to assess potential operations for a new, multi-purpose arena in downtown Tucson. The following table summarizes key characteristics of the comparable arenas.

Summary of Comparable Arenas and Market Characteristics

	Jacksonville Veterans Mem. Arena	Van Andel Arena	Ford Center	Bi-Lo Center	Save Mart Center	Pepsi Arena	Dodge Arena
Location	Jacksonville, FL	Grand Rapids, MI	Oklahoma City, OK	Greenville, SC	Fresno, CA	Albany, NY	Hidalgo, TX
Year Opened	2003	1996	2002	1998	2003	1990	2003
Seating Capacity	16,000	12,500	20,800	16,000	16,500	17,500	6,800
Tenant(s)	WHA2	AHL, AFL	af2, CHL	ECHL, NIFL	ECHL, Univ.	AHL, af2, Univ.	af2, ECHL
Market Characteristics - MSA							
Population	1,221,806	768,280	1,140,319	585,298	853,658	841,528	642,074
Median Age	35.9	33.9	34.9	36.2	30.1	37.9	27.5
Median Household Income	$46,509	$48,800	$40,276	$42,357	$37,601	$48,733	$27,483
Corporate Base	2,132	2,107	1,765	1,796	1,199	1,360	528
Premium Seats							
Number of Suites	28	42	48	30	32	25	25
Avg. Annual Suite Price	$50,000 (1)	$30,000 (3)	$28,000 (2)	$47,000 (2)	$55,000 (2)	$48,000 (2)	$25,000 (1)
Number of Club Seats	1,100	1,800	3,300	1,000	1,080	0	508
Avg. Annual Club Seat Price	$300 (3)	$550 (3)	$800 (2)	$1,650 (2)	n/a	$0	$900 (2)
Annual Ticket Charges	$201,600	$0	$2,325,600	$816,000	$409,600	$384,000	$565,600
Net Annual Revenue	$1,810,400	$2,230,200	$1,524,000	$1,831,500	$1,350,400	$816,000	$516,600
Game day / Party suites	8		8				
Facility Management							
Owner	City	County	City	GMATD	University	County	City
Operator	SMG	SMG	SMG	Centerplate	SMG	SMG	Global Spectrum
Facility Fee	$1.50	$1.50	$0.00	$1.00	$1.75	$1.00 (4)	$1.50

	Laredo Entertainment Center	Budweiser Events Center	American Bank Center	CenturyTel Center	Verizon Wireless Arena	Alltel Arena	**AVERAGE**
Location	Laredo, TX	Loveland, CO	Corpus Christi, TX	Bossier City, LA	Manchester, NH	N. Little Rock, AR	
Year Opened	2002	2003	2004	2000	2001	1999	**2000**
Seating Capacity	9,622	7,200	10,500	12,500	11,770	18,000	**13,515**
Tenant(s)	CHL, af2	CHL	CHL, University	CHL, af2	AHL, af2	af2, University	
Market Characteristics - MSA							
Population	217,923	269,231	409,361	380,015	398,500	632,290	**643,100**
Median Age	26.9	34	34.7	35.4	36.9	35.5	**33.8**
Median Household Income	$31,274	$55,419	$38,627	$35,562	$59,557	$42,564	**$42,674**
Corporate Base	238	395	551	568	458	1,057	**1,089**
Premium Seats							
Number of Suites	14	24	11	16	34	32	**28**
Avg. Annual Suite Price	$50,700 (2)	$41,000 (1)	$24,000 (2)	$45,000 (2)	$37,500 (2)	$27,400 (2)	**$39,123**
Number of Club Seats	0	500	302	186	600	0	**1,038**
Avg. Annual Club Seat Price	$0	$990 (2)	$2,000 (2)	$1,875 (3)	$1,600 (2)	$0	**$1,185**
Annual Ticket Charges	$134,400	$693,440	$260,400	$272,160	$1,540,800		
Net Annual Revenue	$433,440	$785,560	$528,720	$796,590	$694,200	$876,800	**$1,091,878**
Game day / Party suites							
Facility Management							
Owner	City	County	City	City	City	County	
Operator	SMG	Global Spectrum	SMG	SMG	SMG	SMG	
Facility Fee	$1.50	$1.00	$1.50 (5)	$1.50 (6)	$1.00	$1.50	**$1.25**

(1) Includes tickets to all events
(2) Includes tickets to tenant events only.
(3) Does not include price of tickets to any events.
(4) Facility fee is $1.00 for tickets with a value of over $7.50.
(5) Facility fee is $1.50 for tickets with a value of over $10.00 and $1.00 for tickets with a lesser value.
(6) Facility fee is $1.50 for tickets with a value of over $20.00 and $1.00 for tickets with a lesser value.

As shown in the table above, each of the comparable arenas has a minor league sports tenant and an average seating capacity of 13,515 seats. The average population of the comparable markets is 643,100, with a median age of 33.8 years and a median household income of $42,674. The average corporate base is about 1,089 corporations.

The average number of suites in comparable markets was 28 with an average annual fee of $39,123. The average number of club seats was 1,038 with an average annual fee of $1,185. The average overall premium seating revenue is about $1.1 million.

An important factor in evaluating the operational success of the proposed arena is the historical event utilization and the financial operating results of comparable arenas. The chart on the following page contains a list of events and a financial summary from several of the comparable venues.

Comparable Venues
Annual Events and Financial Summary

Event Type	Venue 1	Venue 2	Venue 3	Venue 4	Venue 5	Venue 6	Venue 7
Tenant Hockey	44	43	42	35	23	32	35
Tenant Football	8	0	0	8	9	6	8
Collegiate Tenant	0	0	29	0	15	0	0
Other Tenant	0	0	0	0	0	0	0
Subtotal - Tenant Events	52	43	71	43	47	38	43
Concerts	23	19	26	13	18	17	12
Family Shows	20	36	15	16	13	23	28
Motorsports	7	4	0	0	0	2	3
Other Sporting Events	11	8	23	2	16	5	9
High School Sporting Events	1	0	0	0	0	1	0
Graduations	3	6	13	1	0	0	6
Religious Events	0	0	1	2	0	2	0
Trade / Consumer Shows	0	8	3	2	0	1	29
Other	5	6	12	3	0	0	0
Subtotal - Non-Tenant Events	70	87	93	39	47	51	87
Total Events	**122**	**130**	**164**	**82**	**94**	**89**	**130**
Total Operating Revenue	$4,943,000	$5,006,000	$2,905,000	$2,818,000	$5,368,000	$4,981,000	$2,785,000
Total Expenses	$2,986,000	$2,695,000	$3,196,000	$2,776,000	$5,243,000	$3,332,000	$2,513,000
Net Operating Income (Loss)	$1,957,000	$2,311,000	($291,000)	$42,000	$125,000	$1,649,000	$272,000
Profit Margin	39.6%	46.2%	-10.0%	1.5%	2.3%	33.1%	9.8%

Event Type	Venue 8 [1]	Venue 9 [1]	Venue 10 [1]	Venue 11	Venue 12	Venue 13	Average
Tenant Hockey	30	34	35	36	43	29	**35**
Tenant Football	0	0	0	8	9	0	**4**
Collegiate Tenant	32	0	0	0	20	0	**7**
Other Tenant	0	0	0	12	0	0	**1**
Subtotal - Tenant Events	62	34	35	56	72	29	**48**
Concerts	12	9	12	18	25	15	**17**
Family Shows	16	19	18	14	21	8	**19**
Motorsports	1	8	6	4	5	0	**3**
Other Sporting Events	7	11	5	14	13	3	**10**
High School Sporting Events	0	8	2	0	0	0	**1**
Graduations	0	2	2	1	0	0	**3**
Religious Events	0	3	4	2	0	1	**1**
Trade / Consumer Shows	10	15	15	0	0	8	**7**
Other	5	23	14	6	17	0	**7**
Subtotal - Non-Tenant Events	51	98	78	59	81	35	**67**
Total Events	**113**	**132**	**113**	**115**	**153**	**64**	**115**
Total Operating Revenue	$1,882,000	$2,733,000	$3,364,000	$6,074,000	$8,512,000	n/a	**$4,280,917**
Total Expenses	$1,874,000	$2,143,000	$2,909,000	$2,862,000	$6,148,000	n/a	**$3,223,083**
Net Operating Income (Loss)	$8,000	$590,000	$455,000	$3,212,000	$2,364,000	n/a	**$1,057,833**
Profit Margin	0.4%	21.6%	13.5%	52.9%	27.8%	n/a	**20%**

[1] Projected events.

Source: Facility management representatives.

Historical event levels vary among comparable venues and are directly impacted, in part, by the number of tenants as well as the level of competition in the marketplace. Events ranged from a low of 64 to a high of 164, with an average of 115 events. Every venue has a hockey tenant and nearly 70 percent of the facilities have more than one tenant. Non-tenant events that are held most frequently at comparable facilities include concerts and family shows with an average of 17 annual events and 19 events, respectively. Other events held include motor sports, high school sporting events, graduations, religious events, trade/consumer shows, and other sporting and non-sporting events.

An arena's financial performance is influenced by the event schedule as well as the level of premium seating contained in the venue, among other factors. However, the financial performance is not necessarily a direct correlation to the number of events but rather the quality of events. While a minor league sports tenant is important to the viability of a venue, the financial contribution from hosting those events is generally not as great as hosting concerts.

The chart on the previous page also depicts that the average total operating revenue and expenses for comparable facilities to be $4.3 million and $3.2 million respectively. Operating revenues range from a high of $8.5 million to a low of a $1.9 million. Operating expenses range from a high of $6.1 million to a low of $1.9 million. Average annual net operating income was approximately $1.1 million, with a high of $3.2 million and a low of a deficit of $291,000. For purposes of this analysis, management fees and debt were not included in total expenses. The average profit margin of comparable facilities is about 20 percent of revenues.

The level of event activity is impacted by a number of variables including demographics, competition and facility conditions. The table below depicts the number of each event hosted annually per capita in comparable market MSAs. For example, comparable markets host one concert for every 50,423 people. Applying the average events per capita in comparable markets to the population in Tucson indicates the market could host 18 concerts, 18 family shows, and four motor sport events annually.

Population per Event in the Marketplace

	Venue 1	Venue 2	Venue 3	Venue 4	Venue 5	Venue 6	Venue 7	Venue 8
Concerts	48,878	20,842	37,377	30,215	33,122	65,259	41,667	32,283
Family Shows	56,210	11,000	64,787	24,550	45,862	48,235	17,857	24,213
Motorsports	160,600	99,000	n/a	n/a	n/a	554,700	166,667	387,400

	Venue 9	Venue 10	Venue 11	Venue 12	Venue 13	Average	Tucson Estimate Population: 891,220
Concerts	29,967	166,667	32,500	35,260	81,467	50,423	18
Family Shows	14,195	111,111	41,786	41,976	152,750	50,349	18
Motorsports	33,713	333,333	146,250	176,300	n/a	228,663	4

Source: CSL Research

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

V. Competitive and Local Facilities

V. Competitive and Local Facilities

The number and type of facilities potentially competing for the limited supply of events, spectators, attendees and participants within the Tucson marketplace will impact the market potential of the proposed multi-purpose arena. The current arena at the Tucson Convention Center currently competes, to some degree, with a variety of regional sports, entertainment, meeting and exhibition facilities including local arenas, performing arts centers, conference facilities and other such similar facilities.

The following exhibit lists the venues in the marketplace, their location and distance from the proposed arena, as well as their primary tenants, year opened and total seating capacity.

Competitive and Local Facilities

Facility	Location	Distance (mi.)	Tenant(s) [1]	Year Opened	Seating Capacity
McKale Center	Tucson, AZ	1	Collegiate	1973	14,545
Arizona Stadium	Tucson, AZ	1	Collegiate	1928	56,197
Hi-Corbett Field	Tucson, AZ	4	NPFP, MLB spring training	1937	9,600
Tucson Electric Park	Tucson, AZ	5	MLB spring training, minor league baseball	1998	11,000
AVA Amphitheater	Tucson, AZ	12	none	2001	5,000
Diamond Entertainment Center	Sahuarita, AZ	16	none	n/a	2,400
America West Arena	Phoenix, AZ	113	NBA, WNBA, AFL	1992	19,023
Dodge Theatre	Phoenix, AZ	114	none	2003	5,500
Glendale Arena	Glendale, AZ	125	NHL, NLL	2003	17,653
Average		**43**		**1979**	**15,658**

(1) The following are sports league tenants at the above facilities, where listed:
AFL: Arena Football League
MLB: Major League Baseball
NBA: National Basketball Association
NFL: National Football League
NHL: National Hockey League
NLL: National Lacrosse League
NPFP: National Professional Fast Pitch (Women's)
WNBA: Women's National Basketball Association

As shown, there are several sporting and entertainment facilities located in Tucson and the surrounding regional area. Local and regional facilities that would likely represent the highest competition to a proposed arena in downtown Tucson include the McKale Center, America West Arena, and Glendale Arena. Other facilities including ballparks, amphitheaters and stadiums may not compete directly to host the same events, but often compete to attract patrons and corporate sponsors and their discretionary entertainment dollars.

The remainder of this section presents a brief overview of potentially competitive facilities.

Anselmo Tori Valencia Amphitheater

The Anselmo Tori Valencia Amphitheater ("AVA") is a part of the Casino del Sol, located in Tucson, Arizona. The casino and the AVA Amphitheater opened in 2001 and offers 22,500 square feet of gaming space. The AVA Amphitheater is an outdoor amphitheater located on the grounds of the casino. The amphitheater has a seating capacity of 5,000 seats, including both fixed seats and lawn seating. The amphitheater is privately owned and managed by the Casino del Sol. The entire casino complex is operated by the Pascua Yaqui tribe.

The AVA Amphitheater hosts numerous concerts throughout the year, which comprise top musical artists. In the past year, the amphitheater hosted acts such as Toby Keith, Van Halen, Christian Castro, and Megadeth. A representative from the casino indicated that the amphitheater hosts between 20 and 30 events annually.

The amphitheater has a covered pavilion over the fixed seating sections, which allows for concerts to be held under various weather conditions. There are six corporate boxes, which are located at the rear of the fixed seating in the center section.

According to facility management, there is a direct impact from nearby Mexico, with anywhere from 20 to 80 percent of attendees coming from Mexico, depending on the act. The AVA amphitheater would represent competition to a new arena in Tucson in that it is able to attract various music artists throughout the year. The casino is able to offer strong financial incentives to the promoters due to its subsidized artist fees with gambling revenues. In addition to the entertainment of a concert, the Casino del Sol is able to entertain the patrons with gaming space and seven restaurants and three bars located on the premises, offering various types of food and beverages.

Diamond Entertainment Center

The Diamond Entertainment Center ("DEC") is a performing arts auditorium that is located south of Tucson. DEC is part of the Desert Diamond Casino I-19, one of the three casinos that make up the Desert Diamond Casinos in Tucson. The casino offers over 500 slot machines and the DEC has a seating capacity of 2,400 fixed seats. The casino and DEC are owned and operated by the Tohono O'odham Nation tribe.

The DEC hosts various events throughout the year such as boxing, comedy, and music concerts. Some events that have been held or that are planned for future dates, include Julio Cesar Chavez boxing, comedians Jay Leno and Vicki Lawrence, and musical performances by Se Salen, Pat Benatar, Trick Pony, and Engelbert Humperdinck. The DEC also holds numerous karaoke salsa dance performances.

The DEC would likely be a minor competitor to a new arena in Tucson because it is able to attract some sporting events, comedians, and musical performances. However, many of the groups that perform at the DEC may not be able to attract a large enough audience to justify performing at a larger venue. These events, which would use a half-house or similarly reduced seating configuration for the proposed arena, represent the events for which the proposed arena and the DEC would be most likely to compete. Additionally, the discretionary income that patrons spend at the casino and at the concert may impact potential spending at a new arena. The DEC has the advantage of providing nearby casino entertainment and various restaurants.

Arizona Stadium

Arizona Stadium is located in Tucson and is a part of the University of Arizona campus. The stadium was originally constructed in 1928 and has been renovated and expanded several times to reach its current seating capacity of 56,197 seats. Arizona Stadium is owned and operated by the University of Arizona.

Arizona Stadium is home to the University of Arizona Wildcats Division I-A football team. The facility primarily hosts five to six UA football team home games. The stadium has 24 private suites that lease at an average annual fee of $25,000 and 395 loge seats, which require an annual fee ranging from $1,200 to $1,800 in addition to the cost of season tickets. Eighteen of the 24 suites are leased for revenue purposes with the remaining six suites used by the school and athletic department. Local corporations lease three of the suites with the balance being leased by individual donors.

Arizona Stadium will likely be a secondary competitor of the new arena because each facility would cater to different event types, but will compete for the discretionary spending dollars that patrons and corporations may spend on entertainment and sponsorships in the local market.

McKale Center

The McKale Center is located in Tucson on the University of Arizona campus. The arena was built in 1973 and has a seating capacity of 14,545 seats. Owned and operated by the University of Arizona, the facility is home to the men's and women's UA Wildcats basketball teams. The teams each play about 15 home games annually. The average men's basketball attendance has been about 14,500 per game over the past four seasons. The facility has priority seating areas that require contributions to the university athletic program. The contribution levels range from $50 for priority seats in the upper bowl to $30,000 annually for courtside seats. Contribution levels do not include the cost of season tickets.

The McKale Center does not currently host non-university events. As such, the McKale Center will not likely be a direct competitor of the new arena for hosting events. However, with the success and popularity of UA basketball it may attract potential spectators that would otherwise attend events at a new arena.

Tucson Electric Park

The Tucson Electric Park ("TEP") is located in Tucson and is the major facility of the Kino Sports Complex, containing the TEP and numerous baseball practice fields. The TEP opened in 1998 and has a seating capacity of 11,500 seats. The facility is home to the Tucson Sidewinders AAA Pacific Coast League baseball team and serves as the spring training facility for the Chicago White Sox and the Arizona Diamondbacks of Major League Baseball. The facility is owned by Pima County and is operated by the Sidewinders ballclub.

The TEP hosts approximately 30 spring training games and 71 Sidewinders games each year. Of the 11,500 seats available for patrons, about 8,000 are fixed seating and 3,000 are lawn seats. The facility also has eight suites with 12 seats in each suite. The suites lease at an average of $18,000 per year and include tickets to the spring training and Sidewinders games.

The TEP would likely be a secondary competitor to a new arena because of the numerous sporting events held there that may attract patrons away from spending their discretionary income at the arena. In addition, the venues will likely compete for corporate spending in terms of sponsorships and advertising. The TEP would not likely compete with events that might be held at a new arena.

The following table displays the annual attendance of the Tucson Sidewinders compared to other class AAA minor league baseball teams.

Summary of Class AAA Minor League Baseball Attendance

Team	2004 Total Attendance	2004 Games	2004 Average Attendance	2003 Average Attendance	2002 Average Attendance	**3-Year Average Attendance**
Sacramento River Cats	751,156	72	10,433	10,643	11,512	**10,863**
Memphis Redbirds	730,565	70	10,437	10,409	11,035	**10,627**
Louisville Bats	648,092	69	9,393	9,307	9,158	**9,286**
Pawtucket Red Sox	657,067	70	9,387	8,211	9,052	**8,883**
Buffalo Bisons	574,088	66	8,698	8,761	9,003	**8,821**
Albuquerque Isotopes	575,607	70	8,223	8,125	n/a	**8,174**
Indianapolis Indians	576,067	71	8,114	7,976	8,056	**8,049**
Toledo Mud Hens	544,778	71	7,673	7,608	7,707	**7,663**
Fresno Grizzlies	531,040	72	7,376	7,355	8,044	**7,592**
Norfolk Tides	485,260	69	7,033	7,399	7,249	**7,227**
Iowa Cubs	540,055	74	7,298	7,104	7,277	**7,226**
Columbus Clippers	489,177	65	7,526	6,963	7,006	**7,165**
Durham Bulls	490,615	69	7,110	6,946	7,178	**7,078**
Richmond Braves	368,436	57	6,464	7,093	6,565	**6,707**
Salt Lake Stingers	448,153	69	6,495	6,980	6,583	**6,686**
Scranton/W-B Red Barons	402,676	65	6,195	6,476	6,580	**6,417**
Rochester Red Wings	437,088	68	6,428	6,334	6,021	**6,261**
Oklahoma RedHawks	474,206	71	6,679	5,508	6,274	**6,154**
Portland Beavers	312,678	71	4,404	6,270	6,779	**5,818**
Syracuse SkyChiefs	364,648	70	5,209	5,399	6,082	**5,563**
Nashville Sounds	405,536	67	6,053	5,781	4,668	**5,501**
New Orleans Zephyrs	324,324	68	4,769	5,426	5,777	**5,324**
Edmonton Trappers	252,557	60	4,209	5,472	5,673	**5,118**
Tacoma Rainiers	310,626	64	4,854	4,685	4,702	**4,747**
Las Vegas 51s	306,628	71	4,319	4,531	4,609	**4,486**
Omaha Royals	318,537	69	4,616	3,962	4,855	**4,478**
Charlotte Knights	265,271	65	4,081	4,473	4,396	**4,317**
Colorado Springs Sky Sox	236,022	66	3,576	4,412	3,927	**3,972**
Tucson Sidewinders	285,378	71	4,019	3,981	3,896	**3,965**
Ottawa Lynx	159,619	68	2,347	2,551	3,037	**2,645**
AAA Average	**442,198**	**68**	**6,447**	**6,538**	**6,645**	**6,560**

Sources: Minor League Baseball websites

As shown, the Tucson Sidewinders have averaged 3,965 patrons per game over the past three years, ranking second to last among 30 AAA minor league baseball teams in the Pacific Coast League and the International League. The average three-year per game attendance is 6,560, with a high of 10,863 by the Sacramento River Cats and a low of 2,645 by the Ottawa Lynx. The Tucson market ranks 21st out of 28 U.S.-based teams in terms of population in AAA minor league baseball markets. The location of Tucson

Electric Park likely has had some impact on the team's ability to achieve attendance levels consistent with other AAA markets.

America West Arena

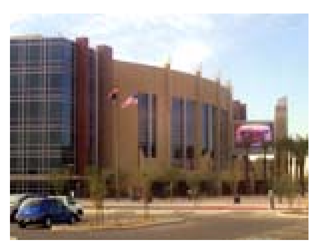
America West Arena is located in Phoenix, Arizona, and has been open since 1992. The facility has a seating capacity of 19,023 seats, including 88 private suites, 16 loge suites and 1,350 club seats. The facility is home to the Phoenix Suns of the NBA, the Phoenix Mercury of the WNBA, and the Arizona Rattlers of the AFL. Until 2004, the NHL Phoenix Coyotes also played their home games at America West Arena. The facility is owned by the City of Phoenix and operated by Phoenix Arena Development, a division of the Suns.

America West Arena held over 180 events during 2003, including numerous tenant games and non-tenant events. There were a total of 108 tenant games among the Suns, Coyotes, Mercury, and Rattlers. Non-tenant events included 20 family ice shows, 22 concerts, 18 circus performances, two motor sport events, two WWE wrestling performances, and 10 other events.

The 88 suites at the venue lease at an average annual lease price of $120,000, the 16 loge suites lease prices range from $22,500 to $30,000, and the 1,350 club seats lease at an annual average of $3,500 per seat.

In some cases, it is expected that America West Arena will be a direct competitor of the proposed arena, particularly when touring shows elect to play only one market in Arizona. In most other cases, the proposed arena would complement America West Arena in that it represents a natural routing pattern for events hosted in Phoenix.

Glendale Arena



Glendale Arena is located in Glendale, Arizona, which is located in the Phoenix metropolitan area. The facility opened in December 2003 and has a seating capacity of 17,653 seats. The venue is home to the NHL Phoenix Coyotes and the Arizona Sting of the National Lacrosse League. The facility is owned and operated by the City of Glendale.

During the facility's first eleven months of operations, the facility held 64 events, including 33 tenant events and 31 non-tenant events. The non-tenant events include 14 concerts, two family shows, three circus performances, two motor sport events, a WWE wrestling event, and six other events. Due to the current NHL lockout, the arena has not held any Coyotes hockey games to date during the 2004/05 season.

Glendale Arena contains 87 suites and numerous other premium seats in the first two rows around the hockey rink and seats in the club level near the suites. The facility also contains three club lounges or restaurants, which provide premium seat holders with access to food, beverages, and a place for socializing and conducting meetings.

Similar to America West Arena, the Glendale Arena is expected to be a direct competitor, in certain circumstances, to a new arena in Tucson in regards to attracting concert performances, circus acts, and various other non-tenant sporting events.

Hi Corbett Field

Hi Corbett Field was built in 1937 and was originally named Randolph Field. The facility is located about four miles from the site of the proposed arena in Tucson. The field underwent renovations in 1992, 1997, and 1999. Currently, the facility has fixed seating capacity of 9,600 seats, with the ability to add an additional 1,000 portable seats plus standing room space for up to 2,000 spectators. The field is used as the spring training site of the Colorado Rockies, which play about 16 games during the month of March. The field is also being used for the Arizona Heat of the Women's National Professional Fastpitch League. Ticket prices for the Rockies spring training games range from $2 to $11.

Hi Corbett Field will likely represent a minor competitor to a proposed new Tucson arena in that it does not attract similar events, but would likely compete for corporate sponsorships and the discretionary income of local residents.

Dodge Theatre

Dodge Theatre is located in Phoenix and is adjacent to the America West Arena. The facility opened in 2003 and has a seating capacity of 5,500 seats, but can be configured to host smaller events with a capacity as low as 2,200 seats. The theatre contains 16 luxury suites that lease at an annual price of $30,000. In 2003, the facility hosted 136 performances including concerts, Broadway shows, comedy acts, family shows, and boxing.

Dodge Theater will likely provide some competition to a new arena in Tucson to host concerts, Broadway shows, and comedy acts to the extent that touring acts elect to play only one market in Arizona.

Pima County Fairgrounds

The Pima County Fairgrounds is located in Tucson and included is the site for the Pima County Fair with various venues such as a drag racing strip, two stages, livestock barns and exhibit halls. The two stages at the fairgrounds include the Southern Arizona Super Stage and the Main Stage. Both stages host concerts such as Scorpions and Yellow Card. The Super Stage does not have fixed seating, but has a grass area that can accommodate approximately 64,000 patrons. The Main Stage has grass and standing room for up to 5,000 patrons, and can hold an additional 2,000 patrons when bleachers are set up around the perimeter.

It is likely that the fairgrounds would represent minor competition to the proposed arena in that it is able to compete for concerts, but due to it being an outdoor facility with stages that lack fixed seating it would not likely be competitive for other events such as sporting events, family shows, or concerts requiring an indoor facility.

Summary

There are a limited number of multi-purpose arenas within the immediate Tucson area that could offer the same state-of-the-art amenities as the new proposed arena. Local competition is also expected to come in the form of competing for corporate sponsorship dollars and the discretionary spending of local residents.

Due to the close proximity to the Phoenix market, there will be some degree of competition in attracting events due to the numerous multi-purpose venues that currently exist in that market.

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

VI. Estimated Event Demand

The purpose of this section is to estimate the potential event mix and attendance levels that could be attracted to a new multi-purpose arena located in downtown Tucson. A variety of factors have been analyzed in order to gauge the ability of a new facility to attract various events, including:

- Event levels and physical characteristics of comparable arenas were used as benchmarks to gain an understanding of the types and number of events typically hosted by similar arenas; and,
- Interviews with local, regional and national arena promoters and event organizers as well as with officials from various minor leagues were conducted to obtain opinions on the potential new facility and gauge interest in utilizing the venue.

This information, along with the knowledge of potential event markets, industry trends, and previous experience was used to estimate the number of events that a new multi-purpose arena operating in Tucson could potentially attract.

Several event types have been considered for potential facility usage at a new multi-purpose arena in Tucson. Potential events have been categorized into two types, tenant events and market-driven events.

Tenant Events

Tenant events typically consist of games played by sports teams that are tenants of the venue. Tenant events are usually scheduled well in advance and provide a facility with a predictable level of facility usage. The majority of multi-purpose arenas have at least one sports tenant. Tenant events evaluated as part of this analysis include:

- Minor League Sports:
    - Hockey;
    - Football;
    - Basketball;
    - Lacrosse; and,
    - Soccer.
- Arizona Ice Cats.

Minor League Hockey

A minor league hockey team could represent a potential tenant in the proposed arena. There are five minor hockey leagues and one Tier I junior league based in the U.S., consisting of varying degrees of skill and geographic locations, including:

- American Hockey League;
- ECHL;
- Central Hockey League;
- United Hockey League; and,
- United States Hockey League.

Interviews with various minor hockey leagues indicate that the ECHL or AHL may be the most suitable for the market. Both of these leagues contain teams that are affiliated with NHL teams, with the AHL team serving as the AAA affiliate and ECHL serving as the AA affiliate. The AHL has an 80-game season while the ECHL plays 72 games. A majority of the AHL teams are located in the eastern and central United States as well as southeastern Canada, while the ECHL teams are located primarily in the southern, eastern, and western portions of the country. As with any potential minor league tenant, the ability to attract a minor league team will be dependent on many factors including, but not limited to providing an appropriate facility, identifying local and/or existing ownership, providing favorable lease terms to the franchise and meeting certain season ticket and/or sponsorship sales thresholds, among other factors.

American Hockey League (AHL)

The AHL is the premier AAA minor hockey league and has been in existence since 1936. The AHL is comprised of 28 teams and currently has over 400 players in the league. The teams are located in various cities across the United States and Canada stretching north to south from St. John's, Newfoundland to Houston, Texas, and east to west from Hartford, Connecticut to West Valley City, Utah. All of the AHL teams are affiliated with an NHL franchise.

Each AHL team has an 80-game (40 home) regular season schedule, spanning the middle of October through the middle of April, culminating in the Calder Cup championship in early June. The exhibit below provides an overview of the AHL's current markets, arenas and attendance.

AHL Markets and Facilities

Team	City	Population (1)	Arena	Capacity	2003-04 Average Attendance	Ratio of Average Attendance to Population
Chicago Wolves	Rosemont, IL	8,489,500	Allstate Arena	17,000	8,006	0.09%
Philadelphia Phantoms	Philadelphia, PA	5,150,900	First Union Spectrum	17,380	7,261	0.14%
* Houston Aeros	Houston, TX	4,440,200	Compaq Center	16,279	5,363	0.12%
Lowell Lock Monsters	Lowell, MA	4,059,600	Paul Tsongas Arena	7,800	4,029	0.10%
Toronto Roadrunners	Toronto, Ontario	2,481,494	Ricoh Coliseum	8,300	4,587	0.18%
Cleveland Barons	Cleveland, OH	2,246,400	Gund Arena	20,000	4,212	0.19%
* San Antonio Rampage	San Antonio, TX	1,676,100	SBC Center	18,500	4,948	0.30%
Cincinnati Mighty Ducks	Cincinnati, OH	1,675,500	Cincinnati Gardens	10,326	4,536	0.27%
Norfolk Admirals	Norfolk, VA	1,609,100	Scope Arena	8,846	3,992	0.25%
Milwaukee Admirals	Milwaukee, WI	1,512,400	Bradley Center	17,800	4,575	0.30%
Utah Grizzlies	West Valley City, UT	1,385,500	E Center	10,500	5,673	0.41%
Hartford Wolf Pack	Hartford, CT	1,173,300	Hartford Civic Center	14,758	5,514	0.47%
Grand Rapids Griffins	Grand Rapids, MI	1,124,200	Van Andel Arena	10,835	6,727	0.60%
Rochester Americans	Rochester, NY	1,105,200	Blue Cross Arena	12,500	7,426	0.67%
Providence Bruins	Providence, RI	989,700	Dunkin Donuts Center	11,940	7,489	0.76%
Bridgeport Sound Tigers	Bridgeport, CT	903,900	The Arena at Harbor Yard	10,000	4,865	0.54%
Albany River Rats	Albany, NY	881,500	Pepsi Arena	14,000	3,454	0.39%
Worcester Ice Cats	Worcester, MA	770,900	Worcester Centrum Centre	12,400	4,832	0.63%
Syracuse Crunch	Syracuse, NY	732,400	Onondaga County War Memorial	6,200	5,286	0.72%
Hershey Bears	Hershey, PA	637,600	Giant Center	10,500	7,469	1.17%
Wilkes-Barre/Scranton Penguins	Wilkes-Barre, PA	621,400	First Union Arena	8,600	8,298	1.34%
Manitoba Moose	Winnipeg, Manitoba	619,544	Winnipeg Arena	10,812	6,914	1.12%
Springfield Falcons	Springfield, MA	611,400	Springfield Civic Center	7,442	3,705	0.61%
Hamilton Bulldogs	Hamilton, Ontario	490,268	Copps Coliseum	17,500	5,111	1.04%
Manchester Monarchs	Manchester, NH	396,000	Verizon Wireless Arena	10,019	9,141	2.31%
Portland Pirates	Portland, ME	273,400	Cumberland County Civic Center	6,746	4,072	1.49%
Binghamton Senators	Binghamton, NY	250,100	Broome Co. Vets. Mem. Arena	4,680	4,360	1.74%
St. John's Maple Leafs	St. John's, Newfoundland	99,182	Mile One Stadium	5,813	4,799	4.84%
Average of All Markets		**1,657,400**		**11,696**	**5,594**	**0.81%**
Average of Similar-Sized Markets		**847,587**		**10,832**	**5,998**	**0.75%** (2)
Average of Comparable-Southern Markets		**3,058,150**		**17,390**	**5,156**	**0.21%**
Tucson Franchise Attendance Projection - Similar		**891,220**	**New Multi-Purpose Arena**	**10,000**	**6,687**	**0.75%**
Tucson Franchise Attendance Projection - Southern		**891,220**	**New Multi-Purpose Arena**	**10,000**	**1,854**	**0.21%**

Sources: Sales & Marketing Management; Official AHL Website
* Represents franchises located in southern markets.
(1) Population are MSA population, except for Canadian franchises where only the city population is included.
(2) The ratio of average attendnance used for is the average of the comparable sized markets market populations within 300,000 people of Tucson.

As shown, the average AHL market has a population of approximately 1.7 million people. Rosemont, Illinois, a suburb of Chicago, is the largest market in the league with nearly 8.5 million people, while St. John's, Newfoundland, is the smallest market with a population of about 100,000. The Tucson marketplace would rank as the 17th largest market in the league. It should be noted that new franchises will be added in Des Moines, Iowa, and Omaha, Nebraska for the 2005-06 season.

The average AHL arena seats 11,700 spectators, with a high capacity of 20,000 at Gund Arena in Cleveland, Ohio, and a low of 4,680 at the Broome County Veterans Memorial Arena in Binghamton, New York. On average, AHL teams drew approximately 5,600 fans per game during the 2003-04 season, ranging from an average low of 3,454 per game for the Albany River Rats to a high of 9,141 per game for the Manchester Monarchs.

The ratio of average attendance to market population of teams located in markets comparable in size to Tucson was 0.75 percent and for teams located in southern markets was 0.21 percent. If Tucson were able to achieve a penetration ratio consistent with those with populations within 300,000 people of Tucson, the average per game attendance would be 6,687 patrons.

Based on discussions with AHL officials, the AHL does not have specific markets sizes that it targets. They currently have teams in large cities like Philadelphia, Chicago, and Toronto, as well as smaller markets like Binghamton, Hershey, and Lowell. The league is currently not entertaining expansion applications as of the beginning of the 2004-05 season, but it was mentioned that a new arena in Tucson would be a good opportunity for the purchase and/or relocation of an AHL franchise from an existing market to Tucson. AHL officials indicated that there would be a strong interest on the part of some of the western-based NHL teams to locate their minor league operations in Tucson. The Phoenix Coyotes AHL affiliate is currently the Utah Grizzlies, who play at the "E" Center in West Valley City, Utah. Agreements resulting from the current NHL lockout could encourage the Phoenix Coyotes team to seek a closer venue for their affiliated minor league team if the minor system is restructured to be similar to minor league teams affiliated to Major League Baseball teams.

ECHL

The ECHL, formerly known as the East Coast Hockey League, is a premier AA hockey league that has been in existence since 1988. The ECHL is comprised of 28 teams. Historically, teams were primarily located in the eastern portion of the U.S. However, the ECHL recently added several teams from the now defunct West Coast Hockey League. As a result, ECHL franchises are now located throughout the U.S.

Each ECHL team has a 72-game (36 home) regular season schedule, spanning late October through early May, culminating in the Kelly Cup championship in late May. The exhibit on the following page provides an overview of the ECHL's markets, arenas and attendance.

ECHL Markets and Facilities

Team	City	Market Population	Arena	Hockey Capacity	2003-04 Average Attendance	Ratio of Average Attendance to Population
Long Beach Ice Dogs	Long Beach, CA	9,911,500	Long Beach Arena	6,176	2,624	0.03%
Gwinnett Gladiators	Duluth, GA	4,456,700	The Arena at Gwinnett Center	11,355	5,034	0.11%
San Diego Gulls	San Diego, CA	2,960,100	San Diego Sports Arena	12,920	4,772	0.16%
Las Vegas Wranglers	Las Vegas, NV	1,774,900	Orleans Arena	7,773	4,981	0.28%
Cincinnati Cyclones	Cincinnati, OH	1,675,500	Firstar Center	17,909	2,204	0.13%
Charlotte Checkers	Charlotte, NC	1,599,800	Cricket Arena	9,570	4,517	0.28%
Greensboro Generals	Greensboro, NC	1,299,000	Greensboro Coliseum	10,388	3,269	0.25%
Greenville Grrrowl	Greenville, SC	991,900	Bi-Lo Center	16,000	4,617	0.47%
Fresno Falcons	Fresno, CA	971,800	Save Mart Center	13,800	4,742	0.49%
Dayton Bombers	Dayton, OH	944,800	Nutter Center	9,950	3,461	0.37%
Bakersfield Condors	Bakersfield, CA	698,700	Bakersfield Centennial Garden	9,000	4,513	0.65%
Toledo Storm	Toledo, OH	618,200	Toledo Sports Arena	5,353	3,799	0.61%
South Carolina Stingrays	N. Charleston, SC	564,000	North Charleston Coliseum	10,529	5,056	0.90%
Columbia Inferno	Columbia, SC	553,900	Carolina Coliseum	6,231	4,087	0.74%
Augusta Lynx	Augusta, GA	491,700	Richmond County Civic Center	6,604	2,980	0.61%
Florida Everblades	Estero, FL	477,800	TECO Arena	7,209	6,214	1.30%
Idaho Steelheads	Boise, ID	468,700	Bank of America Centre	5,006	4,513	0.96%
Pensacola Ice Pilots	Pensacola, FL	429,700	Pensacola Civic Center	8,150	3,617	0.84%
Louisiana Ice Gators	Lafayette, LA	390,300	Cajundome	11,384	3,398	0.87%
Texas Wildcatters	Beaumont, TX	389,900	Ford Arena	7,500	2,884	0.74%
Reading Royals	Reading, PA	383,100	Sovereign Center	7,200	5,371	1.40%
Mississippi Sea Wolves	Biloxi, MS	372,300	Mississippi Coast Coliseum	9,150	3,329	0.89%
Atlantic City Boardwalk Bullies	Atlantic City, NJ	365,800	Historic Boardwalk Hall	10,500	3,217	0.88%
Trenton Titans	Trenton, NJ	361,600	Sovereign Bank Arena	7,850	5,059	1.40%
Peoria Rivermen	Peoria, IL	349,300	Peoria Civic Center (Carver Arena)	9,894	5,101	1.46%
Columbus Cottonmouths	Columbus, GA	277,900	Columbus Civic Center	7,600	2,524	0.91%
Alaska Aces	Anchorage, AK	270,700	Sullivan Arena	6,251	4,340	1.60%
Roanoke Express	Roanoke, VA	238,400	Roanoke Civic Center	8,706	2,918	1.22%
Johnston Chiefs	Johnston, PA	229,500	Cambria County War Memorial	4,050	2,551	1.11%
Wheeling Nailers	Wheeling, WV	149,800	Wheeling Civic Center	5,406	2,835	1.89%
Pee Dee Pride	Florence, SC	126,800	Florence Civic Center	7,426	2,505	1.98%
ECHL Average - All Markets		**1,122,400**		**8,930**	**3,904**	**0.82%**
ECHL Average - Similar Sized Markets		**763,329**		**10,123**	**3,947**	**0.60%** (1)
ECHL Average - Southern Markets		**1,386,995**		**9,185**	**3,909**	**0.74%**
Tucson Franchise Attendance Projection - Similar		**891,220**	**New Multi-Purpose Arena**	**10,000**	**5,366**	**0.60%**
Tucson Franchise Attendance Projection - Southern		**891,220**	**New Multi-Purpose Arena**	**10,000**	**6,621**	**0.74%**

Sources: ECHL and Sales & Marketing Management.
* Represents franchises located in southern markets.
(1) The ratio of average attendnance used for Tucson is the average of the comparable sized markets within about 300,000 people of Tucson's population.
Notes:
Greensboro Generals and Roanoke Express teams were terminated prior to the 2004/05 season.
Cincinnati Cyclones have requested a voluntary suspension for the 2004/05 season.
Columbus Cottonmouths will not play during 2004/05 season but will relocate to Bradenton, FL, and begin play there in 2005/06.
A new Bloomington, IL, franchise will begin play in 2005/06 season.
A new Victoria, BC franchise, Victoria Salmon Kings, will begin play in 2004/05.

As shown, the average ECHL market has a population of approximately 1.1 million. Long Beach, California with 9,911,500 residents is the largest market in the league, while Florence, South Carolina is the smallest market with a population of 126,800. The Tucson marketplace would rank as the eleventh largest in the league if a new franchise were to be added.

The average ECHL arena seats 8,930 spectators for hockey, with a high capacity of 17,909 at Firstar Center in Cincinnati, Ohio, and a low of 4,050 at the Cambria County War Memorial in Johnston, Pennsylvania. On average, ECHL teams drew 3,904 fans per game during the 2003-04 season, ranging from an average low of 2,204 per game for the Cincinnati Cyclones to a high of 6,214 per game for the Florida Everblades. The average ratio of average attendance to population of all ECHL markets is 0.82 percent, for all comparable sized markets, with populations ranging from 500,000 to 1.0 million, is 0.60 percent, and the ratio for southern markets is 0.74 percent. If Tucson were able to achieve a penetration ratio consistent with the average of all ECHL markets, those with similar population levels, and with southern markets, the attendance would range from 5,366 to 6,621 patrons.

Based on discussions with ECHL officials, ideal markets for an ECHL franchise would range in population from 200,000 to 600,000. However, they accept markets larger than 600,000 especially if other professional league teams are not already present in the immediate market. According to league representatives, an ECHL franchise generally needs to attract 3,300 paid admissions and 4,000 turnstile attendees per game to breakeven, with ticket prices averaging approximately $10.50. Further, ECHL officials indicated that sponsorships, advertising, promotional and concessions revenue generated to the team needs to be in the range of $400,000 to $500,000 in order to breakeven.

An important factor for the ECHL selecting a city for a new franchise is the ownership group involved. It is important for the ownership group to have a sound business plan and be willing to brand the team and develop a solid fan base to avoid some of the financial shortcomings that previous minor league hockey franchises have experienced in Tucson.

Based on discussions with ECHL officials, the league has commitments to expand the league by five franchises over the next few years, including the following markets:

- Burlington, Vermont;
- Bloomington, Illinois;
- Bradenton, Florida;
- Cincinnati, Ohio; and,
- Reno, Nevada.

ECHL officials mentioned that the Tucson market would be a suitable location for a new franchise. ECHL representatives indicated that Tucson's close proximity to Phoenix would not likely have a material impact on the fan base or the number of tickets that could be sold in the market. Many ECHL franchises have an affiliation with a NHL franchise. Opportunities may exist for an ECHL franchise in Tucson to become an affiliate of the NHL Coyotes or another team. The NHL Coyotes ECHL affiliate is currently the Idaho Steelheads.

Central Hockey League (CHL)

The Central Hockey League (CHL), is a growing minor hockey league. The CHL began in the early 1990's and merged with the Western Professional Hockey League in 2001. The current CHL is comprised of 17 teams, which are independently owned. Most of the teams are located within the southwestern United States, with teams as far west as Loveland, Colorado and as far east as Memphis, Tennessee.

Each CHL team has a 64-game (32 home) regular season schedule, spanning from the middle of October through the middle of March, culminating in the Ray Miron President's Cup in April. The following exhibit provides an overview of the CHL's markets, arenas and attendance.

CHL Markets and Facilities

Team	City	Population	Arena	Capacity	2003-04 Average Attendance	Ratio of Average Attendance to Population
Fort Worth Brahmas	Fort Worth, TX	1,820,000	Fort Worth Convention Center	11,200	4,036	0.22%
Austin Ice Bats	Austin, TX	1,398,100	Travis County Exposition Center	7,000	4,191	0.30%
Memphis RiverKings	Memphis, TN	1,160,600	DeSoto Civic Center	8,400	3,975	0.34%
Oklahoma City Blazers	Oklahoma City, OK	1,109,400	Ford Center	18,100	8,763	0.79%
Tulsa Oilers	Tulsa, OK	823,900	Maxwell Convention Center	7,111	4,405	0.53%
New Mexico Scorpions	Albuquerque, NM	734,000	Tingley Coliseum	11,571	4,481	0.61%
Rio Grande Valley Killer Bees	Hidalgo, TX	619,800	Dodge Arena	5,500	5,114	0.83%
Wichita Thunder	Wichita, KS	519,600	Kansas Coliseum	9,560	3,850	0.74%
Bossier-Shreveport Mudbugs	Bossier City, LA	392,800	CenturyTel Center	12,500	4,780	1.22%
Corpus Christi Rayz	Corpus Christi, TX	387,400	AmericanBank Center	7,495	2,990	0.77%
Colorado Eagles	Loveland, CO	269,700	Budweiser Events Center	5,289	5,211	1.93%
Lubbock Cottton Kings	Lubbock, TX	249,800	Lubbock Municipal Coliseum	6,726	4,626	1.85%
Odessa Jackalopes	Odessa, TX	239,200	Ector County Coliseum	5,131	3,271	1.37%
Amarillo Gorillas	Amarillo, TX	225,500	Amarillo Civic Center	4,986	3,302	1.46%
Laredo Bucks	Laredo, TX	211,700	Laredo Entertainment Center	8,000	6,354	3.00%
Topeka Tarantulas	Topeka, KS	170,800	Kansas ExpoCentre	7,777	n/a (1)	n/a
San Angelo Saints	San Angelo, TX	105,400	San Angelo Coliseum	5,265	2,401	2.28%
Average - All Markets		**614,000**		**8,330**	**4,484**	**1.14%**
Average - Similar Sized Markets		**827,883**		**10,040**	**5,098**	**0.64%** (2)
Tucson Franchise Attendance Projection - Similar		**891,220**	**New Multi-Purpose Arena**	**10,000**	**5,709**	**0.64%**

Sources: Sales & Marketing Management; Official CHL Website
* Represents franchises located in southern markets.
(1) Topeka is scheduled to begin play in CHL during 2004-05 season.
(2) Ratio is comprised of comparable sized markets with populations within 300,000 people of Tucson's market population.

As shown, the average CHL market has a population of approximately 614,000. The largest market in the league is Fort Worth, Texas, with a population of over 1.8 million, while the smallest market is San Angelo, Texas, with a population of over 105,000. The Tucson marketplace would rank as the fifth largest in the league if a new franchise were to be added.

The average CHL arena seats 8,330 spectators, with a high capacity of 18,100 at the Ford Center in Oklahoma City, Oklahoma, and a low of 4,986 at the Amarillo Civic Center in Amarillo, Texas. On average, CHL teams drew approximately 4,500 fans per game during the 2003/04 seasons, ranging from an average low of 2,298 per game for the San Angelo Saints to a high of 8,867 per game for the Oklahoma City Blazers.

The ratio of average game attendance to market population for all of the franchises is 1.14 percent, while the ratio of comparable sized markets to Tucson, with populations within 300,000 people of Tucson's market population, is 0.64 percent. If Tucson were able to achieve a penetration ratio consistent with those with comparable populations, the attendance would be approximately 5,700 patrons.

Based on discussions with CHL officials, they are interested in expanding to markets with new arenas that currently do not have a professional hockey franchise of any kind, though having a collegiate hockey tenant was not discussed. CHL officials indicated that new franchises beginning in new facilities have been successful. For example, teams in Laredo, Texas, Loveland, Colorado, and Hidalgo, Texas, have each started their franchise within the past three years in new venues and have had strong support from the fans, media, and local businesses. Currently, seven of the 17 teams are playing in facilities that have been constructed within the past five years.

Ownership is a key factor in the CHL's selection for a new market for a franchise. According to CHL officials, the construction of a new arena, proximity to western state franchises and proximity to the CHL offices in Phoenix, would make the Tucson market an attractive location for a CHL franchise.

United Hockey League (UHL)

The UHL began play in 1991 as the Colonial Hockey League. The league is comprised of 14 teams primarily from the Midwest and northeast United States, as well as cities in southern Canada. The farthest west that a team is located is in Kansas City, Missouri. The UHL currently has a 74-game regular season (37 home games). The UHL currently has a partnership with the NHL, but is not directly affiliated with the NHL franchises.

In speaking with representatives with the UHL, it is preferred that new franchises are located in close proximity to existing teams to minimize travel costs. With no other teams located in the southern or southwestern United States, it is unlikely that the UHL would approve a franchise in Tucson.

For purposes of this analysis, a minor league hockey franchise is assumed for a new Tucson arena.

Indoor Football

There are currently three established indoor football leagues operating in the U.S., including:

- Arena Football League;
- af2; and,
- National Indoor Football League.

The Arena Football League ("AFL") is comprised mostly of teams owned by National Football League ("NFL") owners and playing in large arenas in major U.S. cities, including America West Arena in Phoenix. The af2 and National Indoor Football League ("NIFL") are comprised of teams playing in smaller facilities in secondary and tertiary markets. Based on discussions with each of the indoor football leagues, it appears that af2 would potentially be the league most suitable for the Tucson marketplace.

af2

The af2 played its first season in 2000 with a total of 15 teams. Aggressive expansion has led to 25 teams for the 2004 season. Each af2 franchise plays a 16-game schedule (8 home) spanning from early April through late July, culminating in the Arena Cup championship in late August. The exhibit on the following page summarizes af2 markets, arenas and attendance.

af2 Markets and Facilities

Team	City	Market Population	Arena	Footaball Capacity	2004 Average Attendance	Ratio of Average Attendance to Population
San Diego Riptide	San Diego, CA	2,960,100	San Diego Sports Arena	12,000	4,127	0.14%
Memphis Xplorers	Southaven, MS	1,160,600	DeSoto County Civic Center	10,000	3,605	0.31%
Oklahoma City Yard Dawgz	Oklahoma City, OK	1,109,400	Ford Center	18,000	10,089	0.91%
Louisville Fire	Louisville, KY	1,043,200	Freedom Hall	17,200	8,724	0.84%
Central Valley Coyotes	Fresno, CA	971,800	Selland Arena	8,912	3,924	0.40%
Birmingham Steeldogs	Birmingham, AL	933,200	Birmingham-Jefferson Civic Center	16,850	6,708	0.72%
Hawaiian Islanders	Honolulu, HI	899,900	Neal Blaisdell Arena	6,600	3,609	0.40%
Albany Conquest	Albany, NY	881,500	Pepsi Arena	14,000	5,883	0.67%
Tulsa Talons	Tulsa, OK	823,900	Tulsa Convention Center	7,096	5,161	0.63%
Bakersfield Blitz	Bakersfield, CA	698,700	Centennial Garden	8,700	5,398	0.77%
Wilkes-Barre/Scranton Pioneers	Willkes-Barre, PA	621,400	First Union Arena	8,300	5,239	0.84%
Rio Grande Valley Dorados	Hidalgo, TX	619,800	Dodge Arena	5,500	5,458	0.88%
Arkansas Twisters	N. Little Rock, AR	596,200	Alltel Arena	16,058	8,691	1.46%
Wichita Stealth	Wichita, KS	519,600	Kansas Coliseum	9,686	3,043	0.59%
Florida Firecats	Estero, FL	477,800	TECO Arena	7,082	5,494	1.15%
Manchester Wolves	Manchester, NH	396,000	Verizon Wireless Arena	10,019	7,490	1.89%
Bossier City Battlewings	Bossier City, LA	392,800	CenturyTel Center	12,400	3,829	0.97%
Quad City Steamwheelers	Davenport, IA	358,100	MARK of the Quad Cities	9,200	6,175	1.72%
Tennessee Valley Vipers	Huntsville, AL	350,600	Von Braun Center	6,624	5,067	1.45%
Peoria Pirates	Peoria, IL	349,300	Peoria Civic Center	9,772	4,552	1.30%
Cape Fear Wildcats	Fayetteville, NC	333,600	Crown Coliseum	13,500	4,025	1.21%
Macon Knights	Macon, GA	331,200	Macon Coliseum	7,182	3,177	0.96%
Columbus Wardogs	Columbus, GA	277,900	Columbus Civic Center	7,600	3,810	1.37%
Green Bay Blizzard	Green Bay, WI	233,600	Resch Center	11,000	3,683	1.58%
Laredo Law	Laredo, TX	211,700	Laredo Entertainment Center	10,000	4,234	2.00%
af2 Average - All Markets		**702,076**		**10,531**	**5,248**	**0.75%**
af2 Average - Similar Sized Markets		**863,300**		**11,435**	**6,041**	**0.74%**
Tucson Franchise Attendance Projection - Similar		**891,220**		**10,000**	**6,557**	**0.74%** (1)

(1) Ratio is comprised of comparable sized markets with populations within 300,000 people of Tucson's market population.

Sources: af2 and Sales & Marketing Management.

The average af2 market has a population of approximately 702,076, with a high of 2,960,100 in San Diego and a low of 211,700 in Laredo. An af2 franchise in Tucson would operate in the eighth largest market in the league.

The ratio of average game attendance to market population for all existing franchises is 0.75 percent, while the ratio of the comparable sized markets within 300,000 people of the Tucson market population is 0.74 percent. If Tucson were able to achieve a penetration ratio consistent with af2 markets with similar population levels, the attendance would be approximately 6,557 patrons.

The league's arenas range in size from the 18,000-seat Ford Center in Oklahoma City to the 5,500-seat Dodge Arena in Hidalgo, Texas, with a league average capacity of 10,571 seats. On average, af2 teams drew 5,248 fans per game, ranging from an average low of 3,043 per game for the Wichita Stealth to a high of 10,089 per game for the Oklahoma City Yard Dawgz.

According to af2 representatives, the priority of the league is to expand in the West, locate another team in Florida, and expand in the Northeast. A league representative indicated that a new arena in the Tucson area could potentially be an attractive option for future expansion or relocation.

Representatives of af2 indicated that a team would need to average 5,000 attendees (with a season ticket base approximating 3,000) at an average ticket price of $14.00 per game in order to breakeven. Also, representatives indicated that a franchise needs to generate between $250,000 to $350,000 annually in advertising/sponsorships to meet breakeven performance levels. For purposes of this analysis, an af2 franchise is assumed for a new Tucson arena.

Minor League Basketball

Minor league basketball has historically been unstable, with a number of leagues forming, folding, or restructuring from year to year. Currently there are four established minor league basketball leagues in the U.S. which include:

- National Basketball Development League (NBDL);
- United States Basketball League (USBL);
- Continental Basketball Association (CBA); and,
- American Basketball Association (ABA).

The ABA was formed in 2000 and the NBDL began operating in 2001. The remaining two leagues have been in existence for longer periods of time but have historically experienced league and franchise instability.

Based on discussions with minor league basketball representatives, a review of the geographic locations of existing teams, and the existence of successful NCAA Division I-A basketball teams in the market, a minor league basketball franchise has not been assumed as a tenant for a new multi-purpose arena in Tucson.

Indoor Lacrosse

Currently, there is one major professional indoor lacrosse league operating in the U.S. The National Lacrosse League ("NLL") began operations in 1986 as the Major Indoor Lacrosse League. In 2004, NLL fielded 10 teams primarily playing in large markets in National Hockey League ("NHL") arenas, as most NLL teams are owned by NHL owners.

NLL teams play a 16-game regular season schedule (8 home games) that spans from January through April, culminating in the Champions' Cup in early May. In 2004, average league attendance was 10,088 per game.

Based on discussions with NLL officials, the league would not likely approve a team for the Tucson marketplace due to the league's tie to NHL markets, which would result in the league focusing primarily on the Phoenix market if it were to add a franchise in Arizona. However, league representatives indicated they are planning a new league, NL2, which could debut in June 2005 and would serve as a developmental league for NLL. The NL2 would serve as the NLL's minor league, with teams playing in small to medium sized markets across North America. Initially, it is expected that all teams would be concentrated in the northeast to limit travel expenses.

League officials anticipate that each NL2 franchise would have an operating budget of approximately $350,000 and would need to average 2,000 paid attendees per game at a ticket price of $10.00 per game to breakeven. The season is anticipated to span 20 games (10 home games) primarily played on weekends from June through August of each year.

Given the uncertainty of the NL2 at the time of this report, the lack of any league operating history and geographic concerns, an NL2 franchise has not been included the event estimates for a new multi-purpose arena in Tucson.

Indoor Soccer

There is currently one professional indoor soccer league operating the U.S. The Major Indoor Soccer League ("MISL") was formed in 2001 following the folding of the National Professional Soccer League. Currently, MISL has nine franchises operating in some of the largest markets in the North America with a strong base of soccer participation including Philadelphia, Chicago, San Diego, Baltimore, Monterrey (Mexico), Milwaukee, Kansas City, St. Louis and Cleveland. MISL will add an additional team in Stockton, California for the 2005-06 season.

The chart on the following page depicts the current teams of the MISL, their market location and population, facility, and average attendance.

MISL Markets and Facilities

Team	City	Population	Arena	Capacity	2003-04 Average Attendance	Ratio of Average Attendance to Population
Chicago Storm	Chicago, IL	8,489,500	UIC Pavilion	9,000	n/a	n/a
Philadelphia Kixx	Philadelphia, PA	5,150,900	First Union Spectrum	14,500	5,226	0.10%
Dallas Sidekicks	Dallas, TX	3,800,900	Reunion Arena	16,652	5,756	0.15%
San Diego Sockers	San Diego, CA	2,960,100	San Diego Sports Arena	13,100	4,212	0.14%
Baltimore Blast	Baltimore, MD	2,635,600	Baltimore Arena	13,700	6,260	0.24%
St. Louis Steamers	St. Louis, MO	2,632,100	Savvis Center	16,536	3,483	0.13%
Cleveland Force	Cleveland, OH	2,246,400	CSU Convocation Center	13,610	4,956	0.22%
Kansas City Comets	Kansas City, MO	1,821,200	Kemper Arena	18,008	5,373	0.30%
Milwaukee Wave	Milwaukee, WI	1,512,400	Bradley Center	17,800	6,012	0.40%
Monterrey Fury	Monterrey, MX	1,200,000	Monterrey Arena	17,200	8,937	0.74%
Average		**3,244,910**		**15,011**	**5,579**	**0.27%**
Tucson Franchise Attendance Projection		**891,220**	**New Multi-Purpose Arena**	**10,000**	**2,399**	**0.27%**

Sources: Sales & Marketing Management; Official MISL Website

Note: The Dallas franchise went inactive after the 2003-04 season. The Chicago Storm begin MISL play in the 2004-05 season.

As shown above, the average market population for MISL teams is approximately 3.2 million, ranging from 1.2 million in Monterrey, Mexico to 8.5 million in Chicago, Illinois. An MISL franchise playing in Tucson would operate in the smallest market among MISL teams. The franchises play in large arenas, averaging 15,011 seats, ranging from a low of 9,000 at the University of Illinois-Chicago Pavilion to a high of 18,008 at Kemper Arena in Kansas City. Average league attendance during the 2003-04 season was 5,579 per game.

The ratio of average attendance per game for all franchises is 0.27 percent. When the ratio is applied to the Tucson market, it is estimated that a new MISL franchise in Tucson could expect to attract about 2,399 patrons per game, but this is difficult to compare evenly to what the average attendance in Tucson might actually be because the markets listed above all have major professional teams. Based on discussions with MISL representatives, the primary focus for adding a franchise in Arizona would be in Phoenix due to the market size. It was noted by MISL representative that the Tucson and Phoenix regions are good markets for soccer-related events.

University of Arizona Ice Cats

The University of Arizona Ice Cats program was established in 1979 and is a university club hockey team. The program currently practices and plays its home games at the existing TCC Arena. The exhibit below presents a summary of the historical number of home games and attendance for UA men's hockey over the past two seasons.

University of Arizona Ice Cats

Season	Games	Average Attendance
2003-04	18	1,895
2002-03	18	2,526
Average	18	2,211

Source: TCC Management

As shown, the hockey program has averaged 18 home games per season over the last two years, drawing an average turnstile attendance of 2,211 fans per game. The team plays other Division I-A schools as a member of the American Collegiate Hockey Association, with its most frequent opponent being Arizona State University.

For purposes of this analysis, it is estimated that the University of Arizona Ice Cats would likely represent 18 annual events at a new arena and could draw approximately 2,000 paid admissions per game and 2,300 turnstile attendees per game in a stabilized year of operations.

It is estimated from discussions with the various minor league organizations and the Ice Cats that a new Tucson arena could host three tenants, including a minor league hockey franchise, an indoor football franchise, and the Ice Cats hockey team. The number of event days and estimated paid and turnstile attendance for each possible tenant is listed below.

Estimated Tenant Events and Attendance

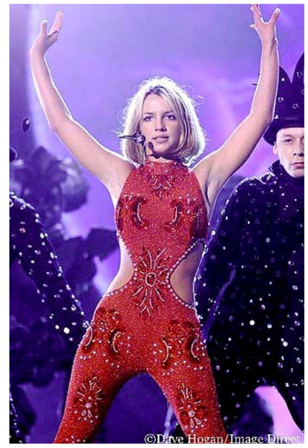
	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Minor League Hockey	40	4,500	6,500	180,000	260,000
Indoor Football	8	5,500	6,500	44,000	52,000
Ice Cat Hockey	18	2,000	2,300	36,000	41,400

Market-Driven Events

Market-driven events are defined as those events that are affected by local market forces and characteristics, and generally represent either national or regional touring events or locally based events unique to the market. The number of market-driven events in a given community is typically a function of the size of the marketplace and the number of available facilities to host these events. The types of market-driven events evaluated in this section include:

- Concerts;
- Ice Shows;
- Family Shows;
- Motor Sports;
- Latino Shows;
- Other Sports;
- Rodeos/Equestrian Events/Other Events; and,
- TCC Shows

Concerts



The greatest opportunity to attract concerts to a new arena in Tucson will likely be derived from the "middle market" concert category. Middle market concert acts generally draw between 3,000 and 10,000 spectators to a single performance.

While smaller acts often play in clubs or theaters and larger acts generally perform in large arenas, the middle market performers often lack ideal venues for their shows. A mid-sized arena is often ideal for these performances, offering enough seats to accommodate fan demand while providing a more intimate setting than a large arena or stadium venue. The majority of Tucson residents travel to Phoenix to attend larger concerts. Having a larger indoor venue would make Tucson attractive for acts that attract bigger audiences and increase their opportunities in attracting touring shows on their way to or from Phoenix. A new arena in Tucson could potentially bring a variety of concert performances including middle market acts and potentially several larger acts.

In order to estimate the number of concerts that could potentially be held at a new arena in Tucson, conversations were held with a number of promoters familiar with the region's event and facility market, including but not limited to:

- Bill Silva Productions;
- Cal Productions;
- Clear Channel Entertainment;
- Concerts West/AEG;
- Elias Entertainment;
- Feld Entertainment;
- Nederlander Concerts;
- Outback Concerts; and,
- Stephens Productions.

A majority of promoters stated that the Tucson market is a relatively strong concert market. Promoters believed that construction of a new arena would increase the number of performing acts that would target Tucson due to an increase in the quality of venue.
The following is a summary of comments and opinions obtained through promoter interviews:

- Tucson is an attractive market and attendance at concerts in Tucson is not significantly impacted by the nearby Phoenix market.
- A positive attribute of the proximity to Phoenix is that touring acts have the ability to perform in two markets near each other, but have two different media markets.
- The relatively low labor rates provide the market with a competitive advantage by having a lower cost structure than other markets.
- The proximity to Mexico could provide a visitor advantage to Tucson.

A breakdown of total MSA population per number of concerts held at comparable venues can be seen in the exhibit to the right. A higher population per concert indicates a greater ability to sell tickets to an event. The average market population has 50,423 people per concert. Market populations ranged from as high as 166,667 to as low as 20,842. Applying the average ratio to Tucson's population of 891,220, it is estimated that the proposed arena could attract 18 concerts per year.

Based on interviews with concert promoters and a review of concert activity at similar venues in comparable markets, it is estimated that a multi-purpose arena in Tucson could host 10 to 15 major concerts per year with an average paid attendance of 7,500 and an average turnstile attendance of 7,800. The venue could also host two to five half-house concerts with an average paid attendance of 3,750 and an average turnstile attendance of 3,900. The table below depicts these estimates.

Population Per Event in Marketplace Concerts

Venue	Population Per Concert
Venue 1	48,878
Venue 2	20,842
Venue 3	37,377
Venue 4	30,215
Venue 5	33,112
Venue 6	65,259
Venue 7	41,667
Venue 8	32,283
Venue 9	29,967
Venue 10	166,667
Venue 11	32,500
Venue 12	35,260
Venue 13	81,467
Average	**50,423**
Tucson Population	**891,220**
Est. Number of Concerts	**18**

Source: CSL Research

Estimated Events and Attendance - Concerts

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	12	6,875	7,150	82,500	85,800
Best Case	16	6,563	6,825	105,000	109,200

Ice Shows

There are a number of ice events held at various facilities in Arizona, California, Utah, and New Mexico, among other bordering states. Promoters and organizers of events such as Toy Story on Ice, Smuckers Stars on Ice, and Disney on Ice showed interest in hosting events at a new arena in Tucson, with the possibility of increasing their frequency of coming to the market as the result of having a modern and larger facility. The following is a chart of the estimated ice shows and attendance that a new arena could expect based on the results of the promoter surveys and an analysis of similar event activity at comparable new arenas.

Estimated Events and Attendance - Ice Shows

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	6	6,500	6,500	39,000	39,000
Best Case	8	6,500	6,500	52,000	52,000

As shown, a new Tucson arena could expect to attract an average of between six and eight ice shows a year with an attendance of 6,500 patrons per event.

Family Shows

Family shows are events that cater to spectators of all ages and include a wide variety of events including Sesame Street Live, Ringling Brothers/Barnum and Bailey Circus (RBBBC), Barney, and Nickelodeon shows, among others. A new facility's ability to attract events such as family shows will depend somewhat on the physical characteristics of the facility.

A breakdown of total MSA population per number of family shows held at comparable venues can be seen in the exhibit to the right. A higher population per family show indicates a greater ability to sell tickets to an event. The average population was 50,349 people per family show. Market populations ranged from as high as 111,111 to as low as 11,000 per family show. Considering Tucson's population of 891,220, it is estimated that the proposed arena could attract 18 family shows each year.

Population Per Event in Marketplace Family Shows

Venue	Population
Venue 1	56,210
Venue 2	11,000
Venue 3	64,787
Venue 4	24,550
Venue 5	45,862
Venue 6	48,235
Venue 7	17,857
Venue 8	24,213
Venue 9	14,195
Venue 10	111,111
Venue 11	41,786
Venue 12	41,976
Venue 13	152,750
Average	**50,349**
Tucson Population	**891,220**
Est. Number of Family Shows	**18**

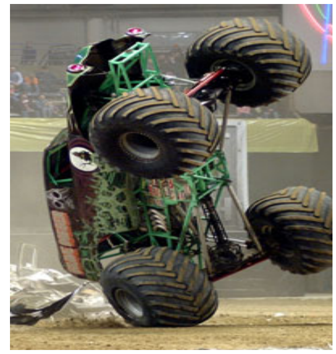
Source: CSL Research

Depending on the amenities incorporated, the proposed arena may be able to attract incremental family shows to the market above and beyond current events such as Rugrats, Sesame Street Live, RBBBC, and Dragon Tales. Family show promoters indicated that they would continue to bring family shows to Tucson that they currently host at the TCC Arena, but may increase the frequency of certain shows that currently do not come to the market every year. For example, the RBBBC has performed at the TCC Arena every other year, but recently has attempted to perform in consecutive years. A new arena could encourage patrons to attend events such as the RBBC more frequently due to the added amenities and better atmosphere that a new arena could provide. As shown in the table below, it is estimated that a new arena could attract 12 to 15 family show performances with an average paid attendance of 3,750 patrons and an average turnstile attendance of 4,000 patrons per performance.

Estimated Events and Attendance - Family Shows

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	12	3,750	4,000	45,000	48,000
Best Case	15	3,750	4,000	56,250	60,000

Motor sports



Despite the relatively small size of their floors in comparison with larger stadiums and outdoor venues, mid-sized venues host motor sport events including motorcross, monster truck races and tractor pulls. The presence of a hockey-sized floor and some flexible seating options would allow a new arena in Tucson to host these events with an opportunity to attract additional events to the market.

A breakdown of total MSA population per number of motor sports events held at comparable venues can be seen in the exhibit to the right. A higher population per motor sports indicates a greater ability to sell tickets to an event. The average population was 228,663 people per motor sport event. Population per event ranged from as high as 554,700 to as low as 33,713. Applying the average ratio to Tucson's population of 891,220, it is estimated that the proposed arena could have up to four motor sporting events each year.

Population Per Event in Marketplace
Motorsports

Venue	Population
Venue 1	160,600
Venue 2	99,000
Venue 3	n/a
Venue 4	n/a
Venue 5	n/a
Venue 6	554,700
Venue 7	166,667
Venue 8	387,400
Venue 9	33,713
Venue 10	333,333
Venue 11	146,250
Venue 12	176,300
Venue 13	n/a
Average	**228,663**
Tucson Population	**891,220**
Est. Number of Motor Sports	**4**

Source: CSL Research

Motor sports promoters interviewed for this project indicated that they hold two to five shows over several days in some markets. This helps offset the cost of facility set-up and takedown, making the event more practical and profitable. Motor sports event promoters indicated that the Tucson market could potentially be a more attractive market for motor sports events with a new arena. As shown in the table on the following page, it is estimated that a new arena could attract three to five motor sports events annually with an attendance of 5,750 patrons per event.

Estimated Events and Attendance - Motorsports

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	3	5,750	5,750	17,250	17,250
Best Case	4	5,750	5,750	23,000	23,000

Latino Shows

Latino shows consist of performances that focus on the Latino culture. With the close proximity of Tucson to the Mexican border numerous visitors travel to Tucson for various reasons, entertainment being one of them. In addition to tourists, there are a large number of residents in Tucson with a Latino heritage. As a result, Tucson has been host to Mariachi festivals in the past and a new arena could be expected to host future events. The table below depicts an estimate of the number of Latino events and shows, as well as estimated attendance, which a new arena could attract.

Estimated Events and Attendance - Latino Shows

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	5	6,000	6,200	30,000	31,000
Best Case	8	6,000	6,200	48,000	49,600

Other Sports

Other sports include a variety of events including, but not limited to the Harlem Globetrotters, professional wrestling, rodeos, and amateur sports, among other events.

The current TCC Arena has been able to attract the Harlem Globetrotters, boxing, Toughman competitions, and other sporting events. A new and larger arena will have the opportunity to attract additional sporting events with more performances throughout the year. As shown in the table below, it is estimated that the proposed arena could host six to eight other sporting events at an average attendance of 5,000 patrons per event.

Estimated Events and Attendance - Other Sporting Events

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	6	5,000	5,000	30,000	30,000
Best Case	8	5,000	5,000	40,000	40,000

Rodeos/Equestrian/Other Events

Based on the analyses of comparable facilities, other events that are often held in multi-purpose arenas include rodeos, equestrian events, high school and collegiate graduation ceremonies, religious services, festivals, professional certification testing, community events, holiday parties, and private catered functions, among other events. In discussions with Professional Bull Riding ("PBR") officials, they currently have two tours of rodeo competitions that perform at various venues across the country, the Built Ford Tough PBR Tour and the Challenger Tour. In the past year, the PBR teamed up with a local promoter in Tucson to put on the Challenger Tour event, a lesser competition than the Ford Built Tough Tour.

The number of community-type events held at the multi-purpose venue will depend somewhat on the operating philosophy of facility management and competition from other facilities in the marketplace. In general, these events do not represent a significant income sources to an arena, but rather serve to increase the utilization of the building and meet the needs of the local community. The following table contains an estimated number of events and attendance that the proposed arena could attract in regards to rodeo competitions, equestrian events, and other events.

Estimated Events and Attendance - Rodeos, Equestrian & Other

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	6	3,500	3,500	21,000	21,000
Best Case	8	3,500	3,500	28,000	28,000

TCC Shows

Several of the convention, expositions, and trade shows that are held annually at the TCC exhibit halls also use the TCC Arena to host their events. A new arena located adjacent to the TCC exhibit halls will provide additional floor space, meeting rooms, and the use of a larger seating capacity for events being held. It is expected that the proposed arena will also be used in conjunction with some of the events being held in the TCC exhibit halls, including Tucson's Gem and Mineral Society and the Jehovah Witnesses Convention, among others. Below is a table depicting the estimated number of use days and attendance that the proposed arena could be used for in conjunction with TCC shows.

Estimated Events and Attendance - TCC Shows

	Event Days	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance	Total Turnstile Attendance
Base Case	8	5,000	5,000	40,000	40,000
Best Case	10	5,000	5,000	50,000	50,000

Summary

The chart below presents a range of estimated events and attendance for the proposed arena, including both base case and best case scenarios.

Estimated Events and Attendance
Proposed Multi-Purpose Arena in Downtown Tucson

Event Type	Events Base Case	Events Best Case	Average Paid Attendance	Average Turnstile Attendance	Total Paid Attendance Base Case	Total Paid Attendance Best Case	Total Turnstile Attendance Base Case	Total Turnstile Attendance Best Case
Tenant Events:								
Minor League Hockey Franchise	40	40	4,500	6,500	180,000	180,000	260,000	260,000
af2	8	8	5,500	6,500	44,000	44,000	52,000	52,000
U of A Ice Cats	18	18	2,000	2,300	36,000	36,000	41,400	41,400
Subtotal	66	66			260,000	260,000	353,400	353,400
Non-Tenant Events:								
Concerts	12	16	6,563	6,825	78,750	105,000	81,900	109,200
Rodeo/Equestrian/Other	6	8	3,500	3,500	21,000	28,000	21,000	28,000
Latino Shows	5	8	6,000	6,200	30,000	48,000	31,000	49,600
Ice Shows	6	8	6,500	6,500	39,000	52,000	39,000	52,000
Family Shows	12	15	3,750	4,000	45,000	56,250	48,000	60,000
Motor Sports	3	4	5,750	5,750	17,250	23,000	17,250	23,000
Other Sports	6	8	5,000	5,000	30,000	40,000	30,000	40,000
Graduations	2	3	3,500	3,500	7,000	10,500	7,000	10,500
Religious Events	2	2	9,500	9,500	19,000	19,000	19,000	19,000
TCC Shows	8	10	5,000	5,000	40,000	50,000	40,000	50,000
Subtotal	62	82			327,000	431,750	334,150	441,300
Total	128	148			587,000	691,750	687,550	794,700

As shown in the table above, a new arena is estimated to be able to host between 128 and 148 events annually, including a minor league hockey and arena football tenant, Ice Cats hockey games, concerts, family shows and other events. It is estimated that a new Tucson arena could attract a total of 587,000 to 691,750 total paid attendance annually and 687,550 to 794,700 total turnstile attendees annually.

Executive Summary
I. Introduction
II. Overview of the Tucson Market
III. Tucson Arena Historical Operations
IV. Comparable Facilities
V. Competitive and Local Facilities
VI. Estimated Event Demand
VII. Building Program Analysis

VII. Building Program Analysis

The purpose of this section is to evaluate the market supportable building program for a new multi-purpose arena to be located adjacent to the Tucson Convention Center.

To understand the facility needs of the Tucson area, it is important to assess the ability of local facilities to accommodate indoor public assembly events. The exhibit below presents a subjective rating of the market's ability to accommodate Tucson's measured event demand.

Present Ability of Local Facilities
To Accommodate Indoor Public Assembly Event Demand

		Limited									Strong
		1	2	3	4	5	6	7	8	9	10
Spectator Events	University of Arizona Hockey	■	■	■	■	■	■				
	Minor League Hockey	■	■								
	Other Minor League Sports, excluding baseball	■	■								
	Concerts	■	■	■	■	■	■	■			
	Ice Shows	■	■	■	■	■	■				
	Family Shows / Other Ticketed Events	■	■	■	■	■	■				
Flat Floor Events	Conventions / Tradeshows	■	■	■	■	■	■	■			
	Public / Consumer Shows	■	■	■	■	■	■	■	■		
	Non-Local Conferences / Meetings	■	■	■	■	■	■				
	Local Meetings / Banquets / Receptions	■	■	■	■	■	■	■	■		

As outlined in the matrix, Tucson's existing local indoor facilities have limitations in hosting minor league sports with the capacity and amenities that they prefer (i.e., hockey, indoor football, soccer, etc.). In general, existing facilities effectively accommodate concerts with the exception of large scale concerts drawing in excess of 13,000 sttendees. With the TCC arena, there are some limitations to hosting other touring events such as family shows, motor sport events, and other such ticketed events. Due to these limitations, touring event promoters have sometimes overlooked the TCC Arena or have decided to not use the facility as frequently as they would newer facilities in comparable markets.

The community is able to accommodate flat floor events fairly well with the presence of the Tucson Convention Center and its adjacent venues, including the TCC Arena. Importantly, with respect to needs between seating and flat floor event space, the matrix visually illustrates that seating and amenities for spectator events represents the more deficient area within the Tucson market.

The remainder of this section summarizes the recommended building program components in the following sections:

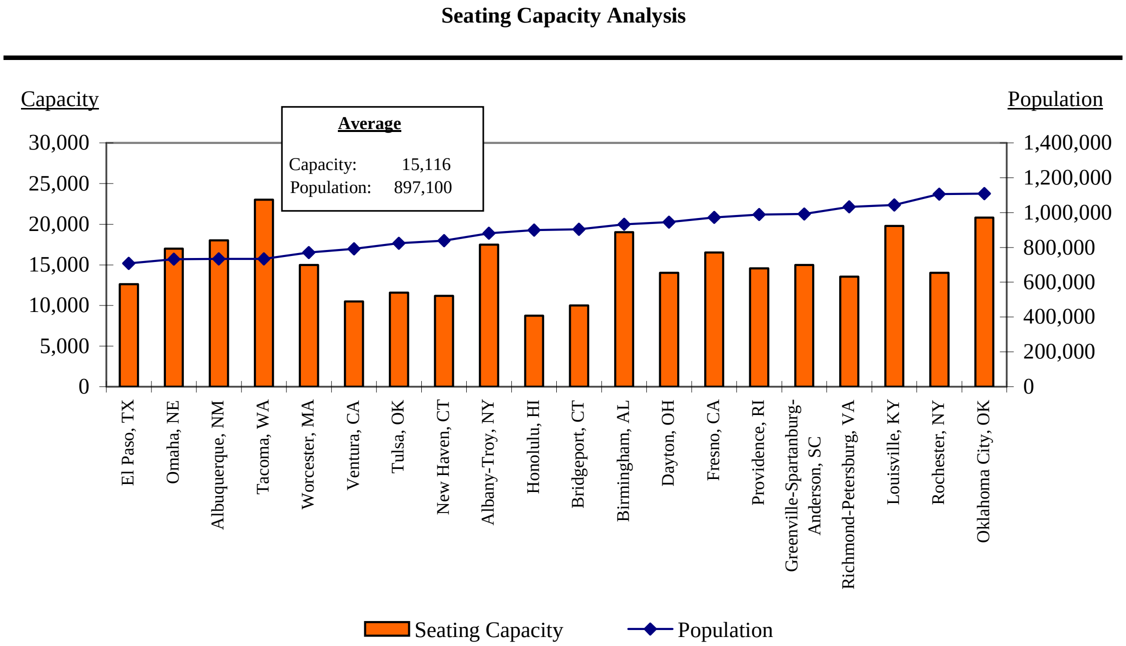
- Seating capacity;
- Flat floor space;
- Meeting rooms;
- Parking; and,
- Other building components.

Seating Capacity

In evaluating market supportable seating capacity for a new multi-purpose arena, it is useful to understand the needs of potential primary tenants of the facility, seating capacities of arenas in similar-sized markets, and the requirements of other potential events.

Seating Capacities in Comparable Markets

As part of this analysis, selected similar markets with MSA populations between 700,000 and 1,125,000 (Tucson's MSA approximates 900,000) were reviewed in terms of seating capacity at each community's largest indoor arena venue. The purpose of this comparison is to discern whether there is a correlation between population and arena seating capacity in order to suggest an appropriate seating capacity for a new multi-purpose arena. The exhibit on the following page presents a summary of 20 similar-sized markets and the seating capacities (fixed and portable) of their respective largest arenas.



As presented, the analysis of 20 similar-sized markets and arena facilities does not indicate an identifiable correlation between MSA population and seating capacity. The seating capacities ranged from a low of 8,500 in Honolulu, Hawaii, to a high of 23,000 in Tacoma, Washington. A majority of the facilities have a seating capacity between the ranges of 10,000 seats to 20,000 seats, with the average seating capacity of the largest arenas in the 20 markets being 15,116 seats.

The exhibit on the following page presents a penetration analysis of population to seating capacity for Tucson using the 20 comparably sized market areas.

Seating Penetration Analysis
Comparable-Sized Markets

Market	Facility	MSA Population (1)	Major Arena Seating Capacity (2)	Population Per Seat
Oklahoma City, OK	Ford Center	1,109,400	20,800	53.3
Rochester, NY	Blue Cross Arena	1,105,200	14,000	78.9
Richmond-Petersburg, VA	Richmond Coliseum	1,032,300	13,553	76.2
Greenville-Spartanburg-Anderson, SC	Bi-Lo Center	991,900	15,000	66.1
Providence, RI	Dunkin Donuts' Center	989,700	14,572	67.9
Fresno, CA	Save Mart Center	971,800	16,500	58.9
Birmingham, AL	Birmingham-Jefferson Convention Complex	933,200	19,000	49.1
Bridgeport, CT	Arena at Harbor Yard	903,900	10,000	90.4
Honolulu, HI	Blaisdell Center	899,900	8,733	103.0
Albany-Troy, NY	Pepsi Arena	881,500	17,500	50.4
New Haven, CT	Veterans Memorial Coliseum	839,000	11,171	75.1
Tulsa, OK	Tulsa Convention Center	823,900	9,138	90.2
Ventura, CA	Seaside Park Arena	792,300	10,500	75.5
Worcester, MA	Centrum Centre	770,900	15,000	51.4
Omaha, NE	Qwest Center	733,000	17,000	43.1
El Paso, TX	Don Haskins Center	707,600	12,601	56.2
Average		**905,344**	**14,067**	**67.9**
Median		**901,900**	**14,286**	**67.0**
*New Tucson Arena (Estimated Capacity Using **Average** Population Per Seat)*		*891,220*	*13,134*	*67.9*
*New Tucson Arena (Estimated Capacity Using **Median** Population Per Seat)*		*891,220*	*13,297*	*67.0*

(1) Contain populations of markets that have an arena with 5,000 or more seats and are similar-sized markets to Tucson.
(2) Includes fixed and portable seating.
Source: AudArena Guide, Sales & Marketing.

As shown, among facilities located in markets with populations of between 700,000 and 1.1 million the average facility has a total seating capacity, including fixed and portable seating, of approximately 14,067, with 13 out of the 16 facilities having capacities between 10,000 and 20,000. The median seating capacity of the listed facilities is approximately 14,286 seats.

Based on a market penetration analysis, the average and median penetration ratios of population to seating capacity of the largest arena in the selected markets were 67.9 people per seat and 67.0 people per seat, respectively. Applying the average and median population per seat in comparable-sized markets to the population of Tucson indicates that the Tucson market could support a venue of approximately 13,134 to 13,297 seats. It is important to note that this analysis does not account for the seat occupancy rates of these venues.

Seating Capacity Requirements of Potential Minor League Tenants

The building program developed for a new Tucson arena should consider the potential to attract minor league sports tenants to the market. The seating capacities and attendance of various minor leagues that represent the strongest potential for the Tucson market based on discussions with minor league officials are summarized in the following exhibit.

Minor League Seating Capacity Summary

	Seating Capacity			Average Attendance		
		League			League	
	High	Average	Low	High	Average	Low
Minor League Hockey:						
AHL	20,000	11,696	4,680	9,141	5,594	3,454
ECHL	17,909	8,930	4,050	6,214	3,904	2,204
CHL	18,100	8,300	4,986	8,763	4,500	2,401
Indoor Football:						
af2	18,000	10,531	5,500	10,089	5,248	3,043

As depicted in the exhibit above, the average attendance for various minor leagues that represent potential tenants for a new arena in Tucson could be accommodated with an arena of 9,000 to 10,000 seats. It should be noted this analysis is based on average attendance and does not reflect the variation in attendance above and below the average.

The average seating capacities of the various minor leagues ranged from a low average of 8,300 for the CHL to a high average of 11,696 for the AHL.

Given the population size of the Tucson market area relative to other markets hosting minor league sports, it is conceivable for a minor league franchise in Tucson to achieve attendance levels consistent with other minor league teams in comparable markets. Therefore, if the size of the venue was dictated by the primary tenants, it is likely that between 7,000 and 10,000 seats would suffice. However, it is important to understand the needs and requirements of touring shows as well.

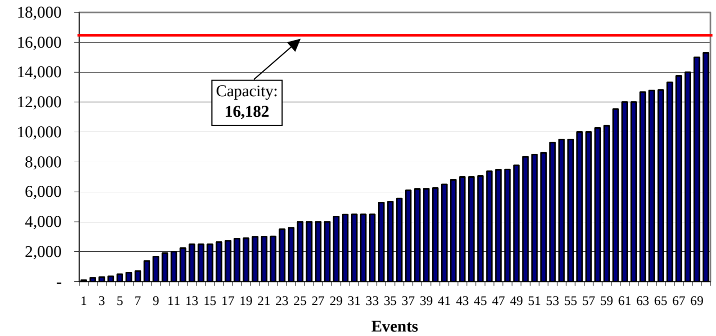
<u>Non-Tenant Events</u>

Non-tenant events that occur at venues include concerts, family shows, ice shows, motor sport events, graduations, flat floor events, and various other events. The exhibit on the following page displays the attendance for all of the non-tenant events that were held at comparable facilities in similar sized markets over the past year, as well as the event schedule for a professional sports venue in a larger market.

Comparable Arenas Non-Tenant Events
Attendance Levels

Attendance

Save Mart Center

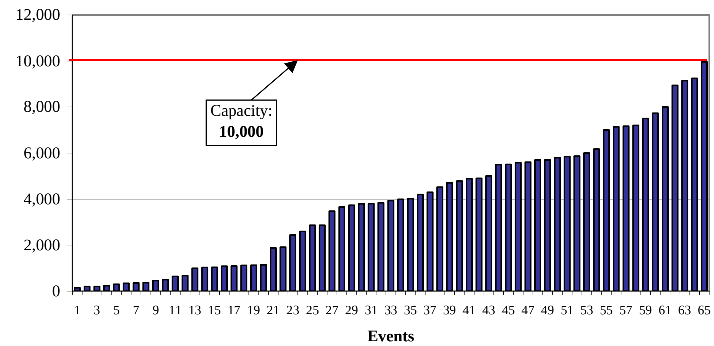


Attendance Distribution

Average Attendance	Performances	Percentage of Events	Cumulative Percentage
2,500 and under	15	21%	21%
2,501 to 5,000	18	26%	47%
5,001 to 7,500	15	21%	69%
7,501 to 10,000	9	13%	81%
10,001 to 12,500	5	7%	89%
12,501 to 15,000	7	10%	99%
Over 15,000	1	1%	100%
Total	70	100%	100%

Attendance

Centennial Gardens

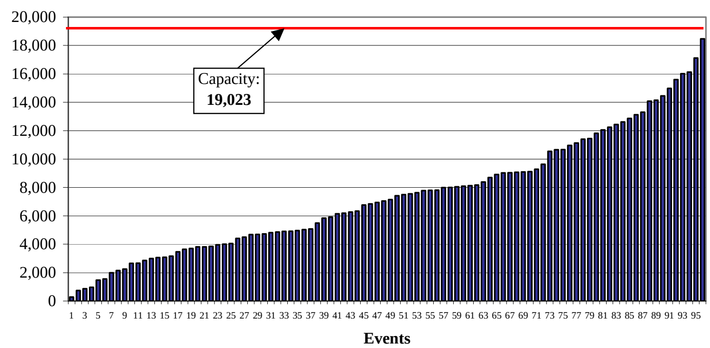


Attendance Distribution

Average Attendance	Performances	Percentage of Events	Cumulative Percentage
2,500 and under	23	35%	35%
2,501 to 5,000	20	31%	66%
5,001 to 7,500	16	25%	91%
7,501 to 10,000	6	9%	100%
10,001 to 12,500	0	0%	100%
12,501 to 15,000	0	0%	100%
Over 15,000	0	0%	100%
Total	65	100%	100%

Attendance

Professional Arena in Larger Market



Attendance Distribution

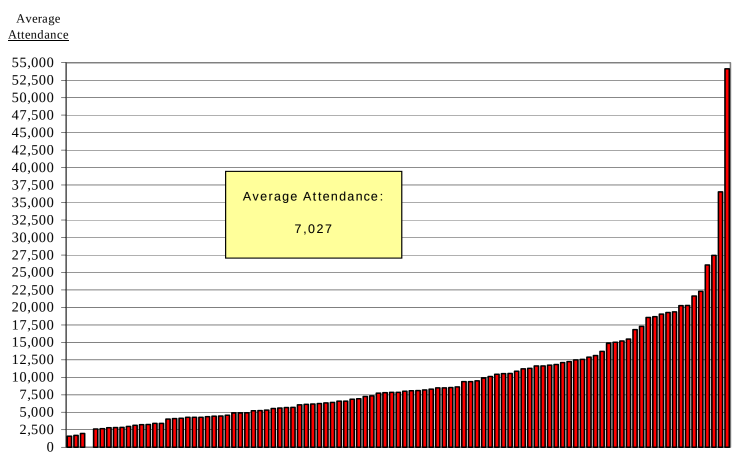
Average Attendance	Performances	Percentage of Events	Cumulative Percentage
2,500 and under	9	9%	9%
2,501 to 5,000	26	27%	36%
5,001 to 7,500	16	17%	53%
7,501 to 10,000	21	22%	75%
10,001 to 12,500	11	11%	86%
12,501 to 15,000	8	8%	95%
Over 15,000	5	5%	100%
Total	96	100%	100%

As shown on the previous page, the total number of non-tenant events at the two comparable venues was 65 and 70. In one arena, a seating capacity of 10,000 would have accommodated all of the events, while in the other venue a seating capacity of 12,500 would have accommodated approximately 89 percent of its events. In the professional arena, 87 percent of the events could be accommodated with 12,500 seats. Based on this analysis, it appears that by providing approximately 12,500 seats, a new Tucson arena could accommodate a large majority of potential event activity. It is unlikely that any incremental events that could be attracted with a large seating capacity would provide enough financial justification to add seats beyond 12,500.

Based on discussions with promoters, it is recommended that a reduced-house configuration be available for family shows that could accommodate attendance levels of around 5,000. In addition, small concert promoters encourage a reduced-house setting in a new arena to allow for a more intimate atmosphere for smaller acts that might attract lower attendance levels.

The most highly attended non-tenant events in arenas are typically concerts. The following exhibit summarizes the average attendance of the top 100 concert tours in the U. S. in 2003.

2003 Average Paid Attendance per Performance
Top 100 Concert Tours



Attendance Distribution

Average Attendance	Acts	Percentage
2,500 and under	3	3%
2,501 to 5,000	24	24%
5,001 to 7,500	19	19%
7,501 to 10,000	17	17%
10,001 to 12,500	13	13%
12,501 to 15,000	6	6%
15,001 to 17,500	5	5%
17,501 to 20,000	5	5%
Over 20,000	8	8%
Total	100	100%

Source: Pollstar.

As illustrated above, the average attendance of the top 100 concert tours was 7,027 in 2003, ranging from a low of 1,578 for the Willie Nelson tour to a high of 54,136 for the Bruce Springsteen and the E Street Band tour.

As a result, a new multi-purpose arena in Tucson with a total seating capacity of 12,500 seats could accommodate the average attendance of nearly 76 percent of the top 100 tours and an arena with total seating capacity of 15,000 seats could accommodate the average attendance of 82 percent of the top 100 tours.

Many of the promoters contacted for this study indicated that the Tucson marketplace should have the ability to provide upwards of 12,500 seats for major concerts. This level of seating would also enable the venue to attract major events by allowing them to only conduct one performance rather than two at AVA Amphitheater to generate the same revenue.

In conclusion, based on the facility capacities in comparable markets, a review of minor league capacities and attendance, comparable market historical attendance at non-tenant events, and historical attendance at concerts, it is recommended that a new multi-purpose arena provide between 11,000 and 12,500 seats (fixed and portable) for concerts and other events. In addition, it is recommended that a new arena have the flexibility to configure into a reduced-house setting that could have a seating capacity of 5,000 seats.

Flat Floor Space

Arena floors can be used to accommodate flat floor events such as conventions, tradeshows or consumer shows that are traditionally housed in convention centers, civic centers, hotels or other similar facilities. An advantage to the proposed new arena site is that it will be adjacent to the Tucson Convention Center, providing opportunities for events being held at the convention center to use the arena. Currently, convention center events use the existing arena approximately 20 times annually.

The floor space accommodated in an arena design is a function of the size of the event floor and the use of moveable or telescopic seating. The exhibit is a summary of the arena floor square footage of comparable arenas constructed since 1995 with a minimum of 8,000 seats.

Arena Floor Square Footage
Comparable New Facilities

	Square Feet
High	41,756
Average	23,737
Median	21,000
Low	16,327

Based on the need to accommodate an 85' by 200' ice sheet to meet the needs of the University of Arizona Ice Cats and a possible minor league hockey tenant, as well as other ice shows that may be hosted at the arena, it is anticipated that the new arena could offer between 20,000 to 25,000 square feet of column-free arena floor space that could be used to host flat floor shows, depending on arena design and the number of moveable or telescopic floor seats in the arena. This amount of space could accommodate 1,330 to 1,670 people for banquet-style events and upwards of 200 to 250 10' x 10' booths for exhibition events. A key marketing advantage for the arena floor space is that it will be contiguous and column-free, key considerations of meeting planners when selecting a venue in conjunction with existing space at an adjacent convention center.

Meeting Rooms

Comparable arenas typically provide a nominal number of meeting rooms to meet the needs of arena business operations, to provide meeting rooms to meet local community needs, or serve as break-out meeting rooms for other events hosted at the facility. The existing TCC Arena offers four meeting rooms for individual events or in connection with events held at the Tucson Convention Center. Due to the combined use, it will be important for a new arena to also contain meeting rooms. The exhibit below presents a summary of the meeting rooms at comparable arenas constructed since 1995 with a seating capacity of at least 8,000 seats.

Meeting Rooms
Comparable New Arenas

		Capacity	
	Number	Minimum	Maximum
High	21	25	3,000
Average	7	39	1,141
Median	4	25	500
Low	2	20	100

Based on a review of comparable arenas and the needs expressed by promoters of potential events that may be hosted at the proposed arena, it is anticipated that a new arena could offer between 8 to 10 meeting rooms accommodating 25 to 40 people for small meetings. A total of approximately 3,000 to 3,500 square feet of sub-dividable meeting space would be necessary to accommodate the recommended number of rooms and capacity.

Parking

The availability of sufficient parking will be critical to the success of the proposed arena. It is a generally accepted industry standard that approximately one parking space should be provided for every three seats. Given the recommended capacity of the facility of 11,000 to 12,500, it is estimated that approximately 3,700 to 4,200 parking spaces within walking distance would be needed to meet potential demand. The use of existing parking spaces in the downtown area may be able to accommodate a significant portion of the parking requirements. The Tucson Convention Center site currently has 2,346 parking spaces. Local codes should be reviewed to ensure that the development not only meets industry standards, but also local codes with respect to parking spaces.

Other Building Components

Other building components that are integral to the success of the arena include, but are not limited to:

- Minimum of 200' x 85' ice surface including 2 players benches, 2 penalty boxes and 1 announcer's box.
- Sufficient concession points of sale should be provided to maximize per capita spending revenues. Industry standards dictate that there should be approximately one concession point of sale for every 250 seats.
- Sufficient restrooms should be provided to ensure an enjoyable patron experience. Industry standards dictate that there should be one water closet per 50 seats and one urinal per 100 seats.
- Sufficient number and quality of dressing rooms including a home team locker room, visiting team locker room and 2 to 4 smaller dressing rooms for other event performers and officials.
- Rigging grid capable of holding required poundage of touring acts with appropriate stage clearance.
- State-of-the-art audio, video and lighting equipment.
- Sufficient storage space for equipment, materials, supplies and other needs.

- Administrative offices for full-time and season staff for minor league tenants and arena personnel.

- Ticket or box office for walk-up ticket sales, will call and other ticketing needs.

As facility planning progresses, it will be important that project architects experienced in arena design work closely with team officials and event promoters to create a design that would maximize the market and revenue potential of the facility.

It should be noted that the general building program presented herein does not include space requirements for components such as dressing rooms, storage, administrative offices, box office, food service space and other such spaces as may be determined by project planners and architects.

Summary

The purpose of this section was to recommend a building program that would be supportable based on the results of the market analysis. Key recommendations included:

- An appropriate seating capacity for a new Tucson arena would be 11,000 fixed seats with the addition of temporary portable seating increasing the total capacity to 12,500 seats. This capacity range would be suitable for the minor league hockey and indoor football teams, as well as for a majority of non-tenant and events, especially concerts.

- It is recommended that the proposed arena have 25,000 square feet of column-free arena floor space. This will allow events at the Tucson Convention Center to have access to more exhibit space.

- A new arena is recommended to have available meeting rooms for groups with less than 50 people, as well as for larger groups. It is suggested that a new arena have eight to ten meeting rooms capable of holding 25 to 40 people for small meetings and up to 1,200 for large meetings.

- For an 11,000-to-12,500-seat arena, it is suggested that there be 3,700 to 4,200 available parking spots in close proximity to the arena, including the existing parking that may be available near the Tucson Convention Center.

- In terms of total square footage of a new arena, the following table details an average square footage of several arenas with similar seating capacities.

Square Footage of Comparable Sized Arenas
Arenas with Seating Capacities Ranging 10,000 to 12,000 Seats

Facility	Market	Year Opened	Tenants	Seating Capacity	Total Square Footage	Suites	Club Seats
Liacouras Center	Philadelphia, PA	2000	University	10,200	340,000	10	0
Verizon Wireless Arena	Manchester, NH	2001	AHL, af2	10,000	260,000	34	600
Giant Center	Hershey, PA	2002	AHL	10,500	229,000	40	688
Mark of Quad Cities	Moline, IL	1993	UHL, af2, NLL	10,000	220,000	15	0
American Bank Center	Corpus Christi, TX	2004	CHL, University	10,500	180,250	11	302
Average		**2000**		**10,240**	**245,850**	**22**	**318**

Notes:
AHL - American Hockey League
af2 - Arena Football 2
CHL - Central Hockey League
UHL - United Hockey League
NLL - National Lacrosse League

- As shown on the previous page, the average area of the comparable sized arenas is 245,850 total square feet. It is likely that a new arena in Tucson will be at least 300,000 square feet.

- The comparable arenas analyzed have an average of 22 suites and 318 club seats.